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LEGISLATIVE HISTORY

Public Law 171--81st Congress

Chapter 338--1st Session

S. 1070

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HOUSING ACT OF 1949. Includes a declaration of the national housing policy. Title IV provides that the Housing and Home Finance Administrator shall conduct a research program concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. In carrying out the research program the Administrator is directed to utilize available facilities of other departments, independent establishments and agencies of the Government.

Title V (the farm-housing title) provides as follows: Authorizes the Secretary, through the Farmers' Home Administration, to make loans, for periods up to 33 years and at not over 4% interest, to owners of adequate farms who are otherwise unable to finance safe and sanitary housing and farms. The loans will not require a first mortgage on the farm property and may be secured by the farmers' equity in the farms. Provides that such loans be refinanced through cooperative or other responsible private credit sources whenever feasible.

Authorizes similar loans, supplemented by annual contributions, to owners whose farms are not presently adequate, but which may be brought up to an adequate basis through a satisfactory program of enlargement, improvement, or adjusted farm practices. The contributions, applied as a partial credit on interest and principal payments, may be made available to an owner for not more than 5 years, and are authorized as follows: On and after July 1, 1949, \$500,000; and annual additional commitments of \$1,000,000 on and after July 1, 1950; \$1,500,000 on and after July 1, 1951; and \$2,000,000 on and after July 1, 1952.

Authorizes combination loans and grants for minor improvements and repairs to farm dwellings and farm buildings, in order to make them sanitary and safe, on farms which, in the judgement of the Secretary, are neither adequate nor potentially adequate. Such assistance would be limited to \$1,000 for any one individual, with the grant portion limited to \$500 for any one individual. Also authorizes loans to owners of such farms and to owners of potentially adequate farms for farm-enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. Authorizes appropriations for these purposes as follows: On and after July 1, 1949, \$2,000,000, which amount shall be increased by further amounts of \$5,000,000 on and after July 1, 1950; \$8,000,000 on and after July 1, 1951; and \$10,000,000 on and after July 1, 1952.

Authorizes the Secretary to issue notes and other obligations for purchase by the Treasury Department in order to make loans under the title (other than loans for housing, building improvements, and farm enlargement on inadequate farms) as follows: Not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1951, and an additional \$100,000,000 on and after July 1, 1952.

The Act also authorizes the Secretary to require that all new buildings and repairs financed under this Title be constructed substantially in accordance with approved building plans and specifications, and under supervision and inspection. Authorizes an expanded program of technical services such as building plans, specifications, construction supervision, and inspection, and advice and information regarding farm dwellings and other buildings. It also directs the Secretary to submit estimates of national farm-housing needs and proposals to meet farm-housing objectives.







INDEX AND SUMMARY OF HISTORY ON S. 1070.

February 2, 1949 ✓ Hearings: Senate, S. 138.

February 25, 1949 Senator Ellender and Others introduced S. 1070 which was referred to the Senate Committee on Banking and Currency. Bill not printed as introduced.

S. 1070 was reported by the Senate Committee without amendments. Senate Report 84. Print of the bill as reported.

March 11, 1949 Senate Committee submitted a supplemental report. Senate Report 84, Pt. 2.

April 4, 1949 Rep. Spence introduced H. R. 4009 which was referred to the House Committee on Banking and Currency. Print of the bill as introduced.

April 7, 1949 ✓ Hearings: House, H. R. 4009.

April 11, 1949 Senate discussed and passed over S. 1070.

April 12, 1949 Prints of amendments proposed by Senator Bricker to S. 1070.

April 13, 1949 Senate discussed S. 1070.

Remarks of Senator Green.

Prints of amendments proposed by Senator Cain to S. 1070.

April 14, 1949 Senate began general debate on S. 1070. Sens. Sparkman and Ellender explained the farm housing provisions (pp. 4695, 4703). Sen. McCarthy criticized the section of the farm housing title which authorizes aid for making housing safe and sanitary on farms not capable of becoming self supporting, claiming that it provided for the appointment by the Secretary of three commissioners in each county (p. 4707). ✓

Remarks of Rep. Kennedy.

Print of an amendment proposed by Senator Cain to S. 1070.

April 18, 1949 Senate debate on S. 1070 continued.

Prints of amendments proposed by Senator Cain to S. 1070.

April 19, 1949 Senate debate on S. 1070 continued. Sen. Langer criticized the farm-housing title.

Prints of amendments proposed by Sens. Langer and Taft to S. 1070.

April 20, 1949 Senate debate on S. 1070 continued. Sen. Bricker criticized the farm-housing provisions (pp. 4887-9).

April 21, 1949 Senate concluded debate and passed S. 1070 with amendments by a vote of 57-13.





Agreed to the following amendments:

By Sen. Langer, 41-28, increasing grants for farm improvements from \$12,500,000 to \$25,000,000 over the next 4 years, etc. (p. 4972).

By Sen. Sparkman, removing the provision limiting veterans' preference to 5 years (pp. 4972-85).

Rejected the following amendments:

By Sen. Bricker, 19-58, to eliminate the provisions regarding farm housing and low-rent housing (p. 4954).

By Sen. Taft, 30-41, to strike out the provisions of the rural-housing title regarding improvements to farm housing and buildings and relating to moratorium on payments under loans (pp. 4966-71).

By Sens. Bricker and Cain, to prohibit discrimination on account of race, etc.

Print of an amendment proposed by Senator Cain to S. 1070.

April 25, 1949

Print of S. 1070 as referred to the House Committee on Banking and Currency.

May 16, 1949

House Committee reported H. R. 4009 with amendments. House Report 590. Print of the bill as reported.

June 7, 1949

Rep. Vursell spoke against H. R. 4009.

Remarks of Rep. Kennedy.

June 8, 1949

Remarks of Reps. Sabath and Multer.

June 9, 1949

H. R. 5085 was introduced by Rep. Davis and was referred to the House Committee on Banking and Currency. Print of the bill as introduced.

Remarks of the author, Rep. Davis.

June 16, 1949

House Rules Committee reported H. Res. 257 for the consideration of H. R. 4009. House Report 844. Print of the resolution.

Rep. Cole discussed the farm section of the housing bill.

June 22, 1949

House began debate on H. R. 4009.

June 23, 1949

House continued debate on H. R. 4009.

Remarks of Rep. Buchanan.

June 24, 1949

House continued debate on H. R. 4009.

June 28, 1949

House continued debate on H. R. 4009.

June 29, 1949

House debate concluded. Passed House, 228-185, with amendments. House vacated the proceedings on H. R. 4009 and passed S. 1070, a similar bill, with the provisions of H. R. 4009, as amended, substituted therefor. During debate on the bill: Rejected, 99-158, the provision transferring the migratory labor camps from this Department to the Housing





and Home Finance Agency (pp. 8721-7). Agreed to the Jones-Hays amendments to the farm-housing title, modifying Secs. 403 and 404 (providing loans for housing and buildings on potentially adequate farms, and providing other special loans and grants for minor improvements to farm housing and buildings) so as to limit the provisions to owner-occupants, reduce the individual limit from \$2,000 to \$1,000, limit such loans to 5 years instead of 10 years, and make it clear that transition from production of one crop to another crop will be recognized in relation to plans for improved housing (pp. 8815-8). Rejected, 146-162, an amendment by Rep. Whittington to strike out the farm-housing title (pp. 8818-21).

June 30, 1949	Senate Conferees appointed.
July 1, 1949	House Conferees appointed.
✓ July 6, 1949	Conference Report submitted to the House. House Report 975. The Conference Report is a substitute bill.
July 8, 1949	Both Houses agreed to the Conference Report.
July 15, 1949	Approved. Public Law 171.
July 27, 1949	The Housing Act of 1949. What it is and how it works. A handbook on information on provisions of the act. Printed for the use of the Committee on Banking and Currency.









# HOUSING ACT OF 1949

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## REPORT

FROM THE

## COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

S. 1070

A BILL TO ESTABLISH A NATIONAL HOUSING  
OBJECTIVE AND THE POLICY TO BE FOLLOWED  
IN THE ATTAINMENT THEREOF, TO PROVIDE  
FEDERAL AID TO ASSIST SLUM-CLEARANCE  
PROJECTS AND LOW-RENT PUBLIC HOUSING  
PROJECTS INITIATED BY LOCAL AGENCIES, TO  
PROVIDE FOR FINANCIAL ASSISTANCE BY THE  
SECRETARY OF AGRICULTURE FOR FARM  
HOUSING, AND FOR OTHER PURPOSES



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1949

## COMMITTEE ON BANKING AND CURRENCY

BURNET R. MAYBANK, South Carolina, *Chairman*

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## HOUSING ACT OF 1949

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FEBRUARY 25 (legislative day, FEBRUARY 21), 1949.—Ordered to be printed

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Mr. MAYBANK, from the Committee on Banking and Currency,  
submitted the following

## REPORT

[To accompany S. 1070]

The Committee on Banking and Currency, to whom was referred the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

## 1. INTRODUCTORY STATEMENT

## HEARINGS

Numerous bills dealing with a wide variety of housing proposals have been introduced in the Senate thus far during the first session of the Eighty-first Congress and have been referred to your Committee on Banking and Currency. Extensive hearings on S. 138, the administration bill, and S. 709, sponsored by a group of Republican Senators, and on other pending bills were held by the Subcommittee on Housing and Rents from February 3 through February 21, 1949. Testimony was presented by more than 75 witnesses, and the subcommittee considered numerous specific suggestions and amendments to the bill now being favorably reported.

While your committee called up S. 138 for consideration, the bill, as reported, combines the best features of several similar bills pending before the Banking and Currency Committee, and of various amendments recommended during the course of the hearings and by members of the subcommittee and of the full committee in the course of their consideration of the bill. After the full committee reached agreement on the legislation to be recommended, a clean bill (S. 1070) embodying that legislation was introduced under bipartisan sponsorship.

Your committee calls attention to the fact that this bill covers specific subject matters long considered by your committee and various special committees of the Congress. On four separate occasions similar legislation has been favorably reported by your committee, and twice approved by the Senate in bills passed by this body in the Seventy-ninth and Eightieth Congresses.

#### PHILOSOPHY OF THE BILL

The bill now being favorably reported by your committee is based upon the firm foundation that, although the housing problem is obviously national in scope, it is fundamentally a local problem, and that the first responsibility for its solution therefore rests with the local community. This bill leaves that primary responsibility with the local communities where it belongs. It recognizes that the need for any kind of housing action should be determined locally. It therefore provides that Federal assistance for the clearance of slums and blighted areas shall be available only for projects where there has been a local determination, by the governing body of the community, that the project is needed and where the plans for such project are locally made and locally approved. It therefore provides that Federal assistance for low-rent public housing shall be available only for projects where there has been a local determination, by the governing body of the community, that such housing is required in order to meet needs not being adequately met in that community by private enterprise, and where such projects are locally initiated, locally developed, and locally managed. It therefore provides that, in making Federal assistance available for farm housing, the Secretary of Agriculture shall have full authority to use local committees of farmers in order that there may be local determinations of the need for such assistance. This bill fully incorporates the basic philosophy that, if the people of a local community take no interest in that community's housing problems, it is not for the Federal Government to impose a program upon them.

With this clear understanding, this bill then gives full recognition to the fact that there are many ways in which the Federal Government can and should render assistance to such local communities as themselves determine that they need and want that assistance in order to help them meet their housing problems effectively.

#### SCOPE OF THE BILL

Your committee is not, in this bill, attempting to deal with all of the main areas of the housing problem, or with the collateral problems which arise in connection with major housing legislation. This bill does not purport to be—and your committee is not presenting it to the Members of the Senate as—legislation authorizing the full and comprehensive housing program that is needed, or providing a complete and final solution to every phase of the complex housing problem. Convincing testimony presented during the hearings indicates that this bill does, however, represent the essential first action toward, and will provide the sound foundation for, such a comprehensive housing program.

The bill covers five major areas. First, it provides for a necessary and desirable declaration by the Congress of our national objectives in housing and the policies to be followed in attaining them. Second,

it provides the authorization of Federal financial assistance to communities for a long-delayed, but vitally needed, start on the clearance of slums and blighted areas for redevelopment. Third, it provides the authorization for a continuation and expansion of the program of extending Federal financial assistance to communities for low-rent public housing for families of low income. Fourth, it provides the authorization for a comprehensive program of Federal research in housing aimed at relieving the many technical, social, and economic problems which beset the whole field of housing. Fifth, it provides the authorization for a program of Federal financial assistance for the provision of decent housing for those families who live and work on the farms of the Nation, particularly for farm families of low income.

In recommending favorable action on the bill at this time and in advance of consideration of other proposals, your committee has in mind the extended hearings, exhaustive investigation, and full floor debate which have been devoted to the basic principles and provisions of this bill during the past 4 years. It also has in mind the fact that these principles and provisions represent a sound foundation for the comprehensive action which is needed in order to make a real attack on the Nation's housing problem. It is therefore believed that, without further delay, Senate action should first be directed to the legislative proposals contained in this bill, which have been so thoroughly considered and on which substantial agreement has been reached.

#### OTHER HOUSING LEGISLATION

While the broad provisions of the bill now being reported are fundamental to any comprehensive and effective housing program, directed toward increasing and improving the general supply of housing in communities throughout the country, the testimony presented to your committee clearly demonstrates that other relatively urgent phases of the housing problem covered in other pending bills also require attention and action. The testimony of numerous witnesses impressed your Committee with the fact that the other more urgent phases of the problem include three main areas: (1) The need for developing a practical means of providing good housing for middle and lower middle income families who are largely priced out of the new housing market at the costs, prices, and rents generally prevailing today. (2) The need for modifications and improvements in the existing programs of FHA insurance of private mortgage investments in sales, rental, and cooperative housing, in order to give greater stimulus and assistance to increased production of privately financed housing of sound standards at more moderate sales prices and rents. (3) The related question of necessary revisions in the Federal Government's secondary market facilities for GI loans guaranteed by the Veterans' Administration, and mortgages insured by the Federal Housing Administration.

In recommending that the initial Senate action in the field of housing legislation be confined to prompt and favorable action on this bill to provide an initial and far-reaching foundation for a comprehensive housing program, your committee wishes to give its assurance to all those who have shown such a vital interest and concern about these various proposals, on which we have already heard testimony, that your committee proposes to take prompt action on those measures



which it can agree are urgently required if we are to have a truly effective housing program.

## II. HISTORY OF THE LEGISLATION

### SENATE SUBCOMMITTEE ON HOUSING AND URBAN REDEVELOPMENT

The legislative proposals embodied in this bill have received earnest and detailed study. Beginning in mid-1944, the Subcommittee on Housing and Urban Redevelopment of the Senate Committee on Post-war Economic Policy and Planning commenced an examination of every aspect of the housing problem. That subcommittee sent out a detailed questionnaire to major organizations throughout the country concerned with housing from construction, finance, labor, and consumer viewpoints. It also held extensive hearings during the period from June 1944 to February 1945, where again every available source of informed opinions was sought, including national organizations interested in housing, representatives of Federal, State, and local governments, and individual experts in the field of housing. On August 1, 1945, the subcommittee, in its unanimous report, made specific recommendations relating to the need for action with respect to postwar housing. The recommended program included the following major points:

1. A declaration of national housing policy and objectives.
2. The establishment of a permanent over-all Federal Housing Agency.
3. The continuance and improvement of Federal financial aids to private enterprise, such as those already established in the Federal Housing Administration, and the development of a plan for the guaranty of a minimum yield on debt-free investments in moderate rental housing.
4. The extension with perfecting amendments of the low-rent housing program authorized under the United States Housing Act of 1937.
5. The establishment of a new form of Federal financial assistance to help cities eliminate slum and blighted areas.
6. The development of plans for a comprehensive attack on bad farm housing conditions.
7. The establishment by the Federal Government of a comprehensive research program in the field of housing and construction.

### S. 1592, SEVENTY-NINTH CONGRESS

On the basis of these subcommittee recommendations, Senators Wagner, Ellender, and Taft, in November of 1945, introduced S. 1592, Seventy-ninth Congress. The Committee on Banking and Currency then held detailed hearings on this bill during a period of 2 months. The bill was favorably reported (S. Rept. No. 1131, 79th Cong., 2d sess.) to the Senate in April 1946, was passed by the Senate, and was under consideration in the House of Representatives at the close of the Seventy-ninth Congress.

### S. 866, EIGHTIETH CONGRESS

The basic legislative proposals which had been made by the Senate subcommittee and incorporated in S. 1592 were the subject of further

study and investigation by three committees in the Eightieth Congress. S. 866, of the Eightieth Congress, introduced by the sponsors of S. 1592 as a successor to that bill, was the subject of extensive hearings before the Senate Banking and Currency Committee in 1947 and again in 1948. That bill was favorably reported to the Senate in April of 1947 (S. Rept. No. 140, 80th Cong., 1st sess.).

#### JOINT COMMITTEE ON HOUSING

In the meantime, however, the Joint Committee on Housing had been created in July 9 of 1947, and was directed to conduct full investigation of the entire field of housing. The joint committee held hearings in 33 cities throughout the country. Its final majority report (H. Rept. No. 1564, 80th Cong., 2d sess.), issued on March 15, 1948, closely paralleled the conclusions reached 3 years earlier by the Senate subcommittee. This report of the Joint Committee on Housing formed the basis for certain modifications of S. 866 which were favorably reported by the Senate Banking and Currency Committee (S. Rept. No. 140, pt. 2, 80th Cong., 2d sess. and S. Rept. No. 1773, 80th Cong., 2d sess.).

#### S. 866 AMENDMENTS

These recommended amendments were adopted, and S. 866, as thus amended, was passed by the Senate, and a substantially similar bill was favorably reported to the House of Representatives by a majority vote of the members of the House Committee on Banking and Currency (H. Rept. No. 2340, 80th Cong., 2d sess.). Both bills expired at the end of the Eightieth Congress, however, without having reached a vote in the House.

Some of the provisions for aid to privately financed housing contained in S. 866 were enacted as the Housing Act of 1948, approved August 10, 1948. These consisted of improvements in the Federal Housing Administration's mortgage insurance programs, the new program for guaranteeing a minimum yield on direct investments in moderate rental housing, and a program of limited technical research. However, none of the legislation providing for aid in the main problem areas of housing—aid for slum clearance and the redevelopment of blighted areas, low-rent public housing, a comprehensive program of housing research, and aid for farm housing—was enacted.

It is this unfinished and unenacted housing legislation which your committee earnestly recommends as the first order of housing action by the Senate.

#### III. THE HOUSING NEED

The evidence and current testimony presented during the hearings concerning the dimensions of the housing shortage demonstrated increasing recognition of the fact that the housing problem is one of great magnitude and long standing. It also indicates that, in the main, such differences of opinion as still exist concerning the housing problem are concerned, not so much with the size or scope of the problem, or with the fact that further housing legislation is necessary to help meet it, as with the details of the means that should be employed in dealing with the problem.

The data available indicates that we must be prepared to build or rehabilitate an average of at least 1,300,000 nonfarm dwelling units,

and between 200,000 and 300,000 farm units, a year over the next 12 years, if substantial progress is to be made in bettering the housing conditions of American families.

In view of the extreme importance of housing to the economic and social stability of the Nation, the establishment of a national housing objective and policy, and the adoption and vigorous execution of an adequate program to carry out that policy and accomplish that objective, should not be postponed.

The comprehensive studies and investigation of the Joint Committee on Housing, Eightieth Congress, and data presented by the Housing and Home Finance Administrator and the Surgeon General of the United States, together with the material presented by representatives of industry and labor, and various public interest and consumer groups, support the estimate of the need for an average rate of homebuilding over the next 12 years of about one and a half million units a year. The starting point for the estimate is the latest Census Bureau report on our current housing inventory made in April 1947. Taking into account the fact that over 2,000,000 new and converted units have been added to the housing supply since that time, the effective nonfarm housing inventory at the beginning of 1949 is about 34,829,000 units. (See table I).

The second step is the development of an estimate of the number of nonfarm units needed in 1960 to meet the needs of our growing population and, at the same time, provide a sufficient number of vacancies to permit mobility and reasonable freedom of choice in the selection of a home. Relating the Census Bureau estimates of the number of families who would require housing in 1960 to the estimated effective nonfarm housing inventory at the beginning of 1949 (see table I), it is indicated that some 6,300,000 units must be added to the supply, by construction of new housing and by conversion of existing structures to provide additional housing, between now and 1960, merely to keep up with the rate of new family formations.

If nothing more than this is done, however, the housing situation would be worse in 1960 than it is today. No progress would be made in eliminating the vast number of units which fail to come up to any decent American standard. No relief would have been afforded the millions of families who would still be forced to live in slums. Nor would anything be done to cope with those currently adequate units which will deteriorate during the years ahead.

A reasonable, although rough, measure of the number of presently substandard units which need to be replaced or rehabilitated is the number of nonfarm units which the Census Bureau data identifies as being in need of major repair, together with those units in urban areas which, while in good condition, had no inside private bath and flush toilet. The total number of units in those two categories in 1947 approximated 5,600,000 units.

This 5,600,000 figure does not, however, include the units in the densely populated suburban areas which surround most of our large cities, but which are not included in the Census figures for urban places. Another factor which has to be taken into account is the loss through complete deterioration. On the evidence available, an allowance of 2,000,000 units would appear to be sufficient to cover these two factors.

Allowance also must be made for the replacement of units lost through disaster or other causes, including the removal of temporary



war and veterans housing units. The replacement of these units, together with the rehabilitation and replacement of substandard housing, adds up to nearly 8,500,000 units. (See table 2.) Taking into account also the construction needed to keep up with family formation, a total of some 14,750,000 units would be required for nonfarm areas by 1960. This is an average of slightly more than 1,300,000 nonfarm units a year. To this must be added the 2 to 3 million farm houses which should be build or rehabilitated between now and 1960. The total job would therefore involve between 17 and 18 million units (table 3).

The testimony indicated that not all of this job will necessarily require new construction. Some portion of it may be accomplished by the conversion of larger structures into a greater number of smaller units. Some part may be accomplished by a better conservation of our present sound and acceptable housing. The indications are clear, however, that rehabilitation cannot be counted upon too heavily, particularly since it is quite apparent that, by reason of quality, location, and structural characteristics, much of the housing which was still below an adequate standard in April of 1947 would not, economically, support rehabilitation.

TABLE 1.—*Effective nonfarm housing inventory as of beginning of 1949 (in thousands)*

Total number of nonfarm dwelling units, April 1947, according to Bureau of Census.....	1 34, 248
Subtract:	
Uninhabitable dwellings.....	137
Seasonal cottages, hunting lodges, etc.....	991
Vacant units held off the market (boarded up mansions, units sold or rented but not yet occupied).....	391
	1, 519
Effective supply of housing to meet nonfarm needs as of April 1947.....	32, 729
Add:	
Estimated additions to supply in 1947 and 1948 through new construction and conversion.....	2, 100
Estimated effective nonfarm supply, beginning of 1949.....	34, 829

<sup>1</sup> U. S. Bureau of the Census; Current Population Reports, series P-70 No. 1. Housing Characteristics of the United States, April 1947, table 1.

TABLE 2.—*Nonfarm dwelling units needing replacement or rehabilitation (1947-60) (in thousands)*

Urban and rural nonfarm units which were in need of major repairs and urban units which lacked private bath and toilet in April 1947.....	1 5, 600
Suburban units lacking private bath and toilet and currently standard nonfarm units which will deteriorate by 1960.....	2, 000
Estimated losses through disaster, demolition, etc.....	520
Losses through removal of temporary housing.....	350
Total replacement and rehabilitation need.....	8, 470

<sup>1</sup> U. S. Bureau of the Census; Current Population Reports, series P-70, No. 1. Housing Characteristics of the United States, April 1947, table 4.

TABLE 3.—*Housing needs of the United States in 1960 (in thousands)*

Number of nonfarm families which will require housing in 1960...	139,500
Add: Allowance for 4 percent effective vacancy rate for rent or sale.....	1,600
Total effective supply of dwelling units needed in 1960...	41,100
Subtract: Estimated effective supply, beginning of 1949 (from table 1).....	34,829
Net additional number of units which need to be added to the supply by 1960 to keep up with rate of family formation.....	6,271
Add: Total replacement and rehabilitation need (from table 2)...	8,470
Total nonfarm new construction conversion and rehabilitation need.....	14,741
Add: Total farm new construction and rehabilitation need.....	2,000-3,000
Total United States housing needs to 1960.....	16,741-17,741

<sup>1</sup> Bureau of the Census estimate of nonfarm families presented before the Joint Committee on Housing, 80th Cong., Jan. 12, 1948.

#### IV. DECLARATION OF NATIONAL HOUSING POLICY

Your committee believes that the establishment by the Congress of a national housing policy which will define our housing objectives is long overdue and is vital to the orderly development and effective execution of a housing program adequate to meet the needs of the Nation.

During the past 17 years the Congress has enacted numerous measures dealing separately with various aspects of the housing problem. Initially these measures were adopted to cope with the acute problems growing out of the depression of the early thirties, including widespread mortgage foreclosures, the drying up of mortgage credit and of new construction activity, and serious unemployment in the construction industry; and to take first steps toward relieving the severe distress caused by bad housing conditions among large segments of the population. This was the background for the several measures establishing and extending the programs of the Federal Housing Administration, the Federal Home Loan Bank System, the Home Owners' Loan Corporation, the Federal Savings and Loan Insurance Corporation, and the United States Housing Authority.

With the advent of war, the direction of the housing legislation enacted by the Congress shifted to the problems of providing shelter for the greatly expanded labor force required to man the production lines in essential war industries. Since the war, under conditions of particularly acute housing shortage, the housing legislation thus far enacted has emphasized additional emergency measures and the realignment of some existing programs to meet postwar conditions.

Throughout this period of 17 years there has never been a statement by the Congress of our national housing objectives or of basic policy as to the respective spheres of activity for industry, labor, communities, and the Federal Government in the attainment of those objectives. Neither the Congress in considering specific housing legislation, nor the administrative agencies in executing those programs, have been in a position to appraise housing activities and housing progress in relation to a clearly defined national housing policy and objective. Industry, labor, and communities have been similarly handicapped.



The need for such a policy declaration is increased by the housing programs authorized by this bill, and which are clearly essential if the Nation is to make real progress in overcoming its deeply rooted housing problems.

The importance of establishing a firm national housing policy has been emphasized by the committees of the Congress which have studied the housing problem during the past several years. Such action was recommended in 1945 in the report of the Subcommittee on Housing and Urban Redevelopment of Special Senate Committee on Postwar Economic Policy and Planning. This recommendation was strongly reaffirmed in the final report of the Joint Committee on Housing in 1948. Provisions carrying out these recommendations were contained in the comprehensive housing bills passed by the Senate in the Seventy-ninth and Eightieth Congresses.

The policy declaration in the pending bill is substantially in accord with those earlier recommendations and proposals, with certain improvements and refinements considered desirable in the light of further study and experience.

Section 2 of the bill establishes our national housing objectives and the policies to be followed in attaining them. The declaration states first, that the general welfare and security of the Nation requires the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. In our advance toward that goal, the policy declaration recognizes the necessity of attaining a rate of housing production sufficient to overcome the serious housing shortage and to replace slums and other inadequate housing. It also recognizes that such production is necessary to enable the housing industry to make its full contribution to an economy of maximum employment, production, and purchasing power.

In defining the policy to be followed in attaining this national housing objective, the bill recognizes that primary reliance has been and must continue to be, on private enterprise to do the major part of the task. It provides that private housing enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance should be utilized to the extent feasible to enable private enterprise to serve more of the total need. Furthermore, the bill calls for assistance to communities in undertaking positive programs to encourage the production of lower cost housing of good quality.

The bill also includes in the definition of national policy the extension of Federal assistance for slum clearance and for the provision of decent housing for low-income families in cities and rural areas, to the extent that those needs cannot be met through reliance upon private enterprise.

Your committee is firmly convinced that all housing activities of the Federal Government at the regional and local levels as well as in Washington, D. C., should be administered within the letter and the spirit of this defined national policy. Toward this end there is included within the policy declaration a specific congressional charge and directive to the administrative agencies of the Federal Government which have powers, functions, and duties with respect to housing, to so exercise them as to encourage and assist the attainment of the following specific objectives:

1. The production of housing of sound standards of design, construction, livability, and size for adequate family life;

2. The reduction of the costs of housing without sacrifice of such sound standards;

3. The use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction;

4. The development of well-planned, integrated residential neighborhoods and the development and redevelopment of communities; and

5. The stabilization of the housing industry at a high annual volume of residential construction.

Such a declaration of national housing policy can provide the necessary guide lines now lacking for the concerted and sustained efforts by industry, labor, communities, and the Federal Government which are required to help overcome the national housing problem. It will define our policies and objectives not only for the substantive programs contained in the pending bill, but likewise for existing programs and for the further legislation which the Congress will consider in the future.

## V. SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### NEED FOR FEDERAL AID

The persistence of widespread slums and blighted areas in cities, large and small, throughout the Nation provides the clearest evidence of the unsatisfactory condition of our housing supply and of the necessity for far-reaching direct action if eventually we are to achieve a satisfactory living environment for all the American population. In his testimony before your committee, the Surgeon General of the United States stated that, in his opinion, the provision of Federal aid to cities for the elimination of slums and the redevelopment of the cleared areas is basic to any realistic program for the improvement of urban housing.

These slums and blighted areas have existed and have grown for generations. Approximately one out of every five of our urban families is living today under slum conditions which, in turn, are the breeding ground for disease, juvenile delinquency, and crime. Your committee is convinced that the Nation cannot and should not tolerate indefinitely the social costs resulting from the impact of these conditions.

The millions of families now living in slums do not live there by choice. They live there from economic necessity arising out of their inability to pay even the lowest rents at which decent housing is available. Correspondingly, the demonstrated failure of private enterprise and local communities in coping with the slum problem does not reflect any lack of community awareness of the seriousness of that problem, but rather is indicative of the inadequacy of private and municipal resources alone to meet the economic costs of effective slum-clearance programs.

The testimony presented during the hearings on the bill, as well as that presented in previous congressional investigations during the past 4 years, makes it clear that the high prices commanded by land in the central areas of cities, even when those areas are blighted or

deteriorated, are at the heart of the slum-clearance problem. It emphasizes the necessity for Federal aid if a real start is ever to be made in the solution of this problem.

These high prices for slum land, particularly in relation to the prices at which builders can acquire outlying sites, have effectively barred the purchase and the redevelopment of slum sites by private enterprise on anything but the most piecemeal and sporadic basis. This barrier of high price has been greatly augmented by the difficulties, which for private operators are usually insuperable, of assembling large enough tracts in close-in areas to permit an economical scale of redevelopment operations.

The evidence is also clear that the reuse value of cleared slum land will generally be substantially less than the costs of acquisition, clearance, and preparation for redevelopment, if the land is to be rebuilt at appropriate densities and in accordance with sound redevelopment plans which will prevent the recurrence of slum conditions. Experience has shown that State and local governments lack the financial resources to absorb the full cost of this necessary write-down in anything like the volume needed for the clearance of any substantial proportion of existing slums. States and cities are increasingly aware of the social costs of slums, of the threat to municipal solvency arising from the spread of slums and from the increasing spread of new building to the outskirts of cities, and of the heavy municipal outlays for city services in slum areas which greatly exceed the tax revenues derived from those areas. Nevertheless, they have lacked the financial resources to undertake more than a few scattered slum-clearance projects under the redevelopment legislation which is now on the statute books of half of the States.

On the basis of these facts, and the findings of previous congressional investigations during the past 5 years, it seems clearly established that only through an effective program of Federal aid can real progress be made in the clearance of slums. This is amply supported by the testimony presented on behalf of the United States Conference of Mayors and the American Municipal Association. Moreover, the testimony presented by the Surgeon General of the United States indicates that there is ample justification for such a Federal program in the light of the serious impact of slum conditions on the lives and development of millions of American families and their children.

#### RELATION OF SLUM CLEARANCE TO HOUSING

Your committee also concurs with the findings of previous investigations that while the problems of slum clearance and of the provision of decent housing for the low-income families now living in the slums are closely related and in fact inseparable, their solution can best be undertaken through independent but closely coordinated programs. This is particularly true in view of the desirability that enlarged opportunity be given to private enterprise to participate in the redevelopment of these areas. At the same time, your committee desires to emphasize that no slum-clearance program can successfully proceed without simultaneous provision for an adequate program of low-rent public housing for low-income families, such as is provided for in the bill. Accordingly, the provisions of this title are to be administered within the Housing and Home Finance Agency. Your committee



regards such provision as essential to satisfactory accomplishments under the contemplated program.

#### LOANS AND GRANTS

Under the pending bill, the Housing and Home Finance Administrator would be authorized to enter into contracts with local public agencies for Federal loans and capital grants to assist the execution of locally planned slum-clearance undertakings.

The bill provides an authorization of \$1,000,000,000 in loans. This loan authorization becomes available over a 5-year period, starting with \$25,000,000 on July 1, 1949, and increasing by \$225,000,000 on July 1, 1950 and by further amounts of \$250,000,000 on July 1 of the three succeeding years. The bill also provides an authorization for \$500,000,000 in capital grants. This capital grant authorization also becomes available over a 5-year period, starting with a limit of \$100,000,000 on July 1, 1949, which limit is increased by further amounts of \$100,000,000 in the four succeeding years, to the total of \$500,000,000. Authority is given to the President to increase the annual loan and capital grant authorization by not to exceed in any one fiscal year \$250,000,000 and \$100,000,000, respectively (subject to the total authorization of \$1,000,000,000 and \$500,000,000), at any time or times if he finds such action to be in the public interest.

Under these provisions, a local public agency would acquire, through purchase or condemnation, a slum or blighted area selected in accordance with a general plan of redevelopment for the locality as a whole. The local public agency would then clear the land and make it available, by sale or lease, for private or public redevelopment in accordance with the predetermined local plan for the area.

Temporary Federal loans would be available to finance the planning of local projects, the acquisition and clearance of land, and the preparation of the land for reuse; these loans would be repayable when the land is sold or leased for redevelopment. Long-term Federal loans would be available to refinance the portions of the sites which are leased and would be secured by the rentals from the leased land.

Under the bill, the Federal assistance would be available only to defray the costs of acquisition and clearance of slum areas and the preparation of the sites for redevelopment; none of these funds would be available for building construction on the cleared sites, except that, in connection with the development of open or predominantly open areas, provision is made for temporary loans for schools or other public facilities necessary to serve or support the new uses of land in the area, such temporary loans to be repaid as soon as the development of the area and its tax base permits the school district or appropriate body to issue its regular bonds and repay the temporary loan, with interest, from the proceeds of the sale of such regular bonds.

The bill requires that the plans for the redevelopment areas in the locality afford maximum opportunity for private enterprise. Much of this construction required in connection with the development or redevelopment of these areas would be under private auspices, although there will necessarily be some public participation through the provision of schools, parks and other public facilities, and of public housing where the localities determine that the sites are best suited for that use.

## SHARING FORMULA

The bill, in effect, provides that the loss involved in connection with such clearance operations shall be shared on a 2-to-1 basis; the Federal Government making up two-thirds of the loss and the local government making up one-third. Thus the capital grants may not exceed two-thirds of the losses on all clearance projects undertaken in any one locality. The balance of the losses must be borne by the local public agencies either in cash or through contributions other than cash, such as the provision of parks or schools necessary to support the new uses of land in the project area, the construction or relocation of streets and utilities, or the use of municipal labor and equipment to clear a project area.

This 2-to-1 sharing of the net cost of slum clearance projects between the Federal and local governments represents the consensus of informed judgment as to the general ability of cities to contribute to slum-clearance programs, having in mind also the desirability of providing for sufficient write-off of the excessive costs of slum properties to permit the redevelopment of slum areas in accordance with the wisest future uses.

Some witnesses who, while they expressed their opposition to the slum-clearance program as too expensive an undertaking, suggested as an outside limit of Federal aid a 50-50 sharing basis, your committee felt it unwise to accept any such suggestions, because of the obvious fact that the aid extended must be sufficient not to be self-defeating. If it is inadequate, it would either prevent the initiation of local programs or, by forcing overcrowding of the redeveloped areas, lead to the creation of more slums in the future.

## TYPES OF PROJECTS COVERED

The pending bill limits Federal financial assistance to the assembly and clearance of areas which either are predominantly residential or which will be redeveloped primarily for residential use. This limitation is fully justified in view of the fact that the primary purpose of Federal aid in this field is to help remove the impact of the slums on human lives rather than simply to assist in the redevelopment or rebuilding of cities.

At the same time this requirement will not interfere with the carrying out of effective local programs which will combine the clearance of slums with sound local plans for the development and redevelopment of communities. Most slums and blighted areas are predominantly residential in character and, in these cases, the bill would permit their redevelopment for whatever new uses are considered most appropriate by the locality. It is to be noted, of course, that here the test is whether the area is predominantly residential in "character" rather than predominantly residential in "use." Where blighted commercial or industrial areas are isolated from residential slum areas and hence must be redeveloped separately, Federal financial assistance also would be authorized for their assembly and clearance where they are to be redeveloped for predominantly residential uses. This does not mean that cases of isolated blighted areas of business, industrial or commercial use, or open land, cannot be developed for an appropriate combination of uses under the provisions of the bill.

It is, of course, perfectly apparent that the elimination of residential slums in central city areas and their redevelopment in accord with a plan for the most appropriate use of the land therein (i. e., for public use, for industry, for housing at more appropriate density, etc.) makes necessary a dispersion of the families now living in such slums. Federal loan assistance for the acquisition and preparation of open unplatted urban or suburban land to be developed for predominantly housing use, so that adequate provision can be made for the necessary dispersion of some portion of the central city population, is therefore essential to any effective slum clearance operation, and is entirely appropriate.

Your committee is convinced that this is sound policy and essential to this program. However, Federal assistance, in such cases, would be limited exclusively to loans. In most such cases no subsidy should be required and even in cases where a subsidy was required, it would generally result from the costs of site preparation and utilities, rather than from a write-down of land values as in the case of a built-up city slum, and hence would fall within the framework of normal municipal expenditures.

#### LOCAL RESPONSIBILITY

The bill sets up adequate safeguards against any undue hardship resulting from the undertaking of slum clearance under current conditions. It requires, first, that no slum-clearance project shall be undertaken by a local public agency unless there is a feasible means for the temporary relocation of the families to be displaced, and unless adequate permanent housing is available or is being made available to them. It requires further that contracts for Federal assistance shall prohibit the demolition of dwellings in connection with a project until July 1, 1951, if the local governing body determines that undue housing hardship would result in the locality.

The bill also gives full recognition to the importance of local initiative and local responsibility. The slum clearance projects assisted under the bill would be locally planned and locally executed and the bill further requires that they conform with comprehensive city plans for the locality as a whole. Further, the bill would require the Administrator, in extending financial assistance, to give consideration to the extent to which localities have encouraged housing-cost reductions through the adoption, improvement, and modernization of building and other local codes. Among the amendments considered and adopted by your committee, was one requiring the Administrator to give consideration to local codes and regulations with respect to land use and minimum standards of health, safety, and sanitation.

Your committee firmly believes that it is in the national interest that no further delays in starting an effective attack on the slum problem should be countenanced. Slum clearance is a time-consuming process and any further postponement of the already long-delayed start in meeting this problem would merely set back for a further indefinite period any hope for progress toward its ultimate solution.

Your committee recognizes that the loan and grant authorization for slum clearance in the bill is modest in relation to the total size of the slum clearance job. Nevertheless, the enactment of the authorization would permit an effective start and would for the first time in the history of the Nation give to slum dwellers, and to American com-



munities as a whole, firm and reasonable expectation for the ultimate solution of a condition which has borne heavily on them for decades.

## VI. LOW-RENT PUBLIC HOUSING

### THE NEED FOR PUBLIC SUBSIDY

In achieving the national goal of a decent home and a suitable living environment for every American family, there is no task more challenging and more important than the provision of low-rent housing for the underprivileged families living in the slums of our cities and of our countryside. It is unthinkable that this Nation, the richest and most powerful in the world, will longer permit so many of its citizens to live and to grow up under the degrading and unhealthy conditions of the slums.

It is self-evident that the great majority of the families living in the slums do so only because of the insufficiency of their incomes. They simply cannot afford to pay what private enterprise is charging for decent existing housing. The rents which they can pay represent an even smaller portion of what private enterprise would have to charge on the basis of a desired economic return if it were to supply the additional new housing which will be necessary in removing these families from the slums.

Despite our record-breaking prosperity, the reports of the Bureau of the Census show that 19.7 percent of urban families had money incomes in 1947 of less than \$2,000, while 30.3 percent had incomes of less than \$2,500. On the accepted basis of paying one-fifth of their incomes for housing, the average rent which the urban families in this lowest 30 percent income group can afford to pay would be approximately \$27 per month, including heat and all other utilities.

If the families now living in the slums are to be provided with decent homes, it is, therefore, evident that a large additional supply of housing must be provided at rents which will average somewhat under \$30 per month, including all utilities. It is clear to your committee that this can be done only with the assistance of substantial public subsidies, both Federal and local. It is equally clear to your committee that the public interest fully warrants the provision of such subsidies.

Many congressional committees have, over a period of years, given careful consideration to every proposed solution for the problem of rehousing slum dwellers, and have always reaffirmed the conclusion that a public low-rent housing program, aided by the Federal and local governments, is the only solution of this problem. The testimony presented to your committee is convincing that the program proposed in the bill will provide an efficient and economical means for the rehousing of families of low income coming from the slums. The great weight of the testimony is also to the general effect that the present method of providing Federal assistance in this important area of housing has wide public acceptance. For example, the Reverend Thomas B. Keehn of the Congregational Christian Churches stated in his testimony before your committee:

We believe that the concept of subsidized public housing for low-income groups is widely accepted in America today as both morally right and economically sound. While it is designed for those least able to provide decent housing for themselves, it is not based on the idea of relief or permanent public assistance. Indeed, the

record of public housing provides abundant proof that such projects do in fact house a reasonable proportion of relief families and help both to remove social cancers and build better citizens. And all this has been and can be done in a way which helps rather than competes with private enterprise.

#### HOW LOW-RENT PUBLIC HOUSING IS ADMINISTERED

The public-housing program is administered in the localities by local housing authorities which develop, own, and operate the low-rent projects. These local authorities were created pursuant to State law, and their members are usually appointed by the mayors of the respective localities. Although these local housing authorities have in almost every case enjoyed close and satisfactory relationships with the governing bodies of their localities, your committee has nonetheless believed it advisable to insert in the pending bill provisions which will assure that the operations of the local authorities have the general approval and support of their respective local governments.

The prime responsibility for the provision of low-rent housing is thus in the hands of the various localities. The role of the Federal Government is restricted to the provision of financial assistance to the local authorities, the furnishing of technical aid and advice, and assuring compliance with statutory requirements.

#### FEDERAL LOANS

Federal loans are authorized to assist local authorities in the capital financing of their projects. Such loans may be made up to 90 percent of total development cost, but in practice local authorities have been able to meet an increasingly larger proportion of their capital requirements by direct borrowing from private investors. With the aid of the financial amendments in the pending bill, it is believed that substantially all of the permanent financing of low-rent housing can be accomplished by the sale of local authority bonds to private investors. Federal capital assistance would thus be primarily concerned with temporary construction loans. Even here it has been found possible to obtain most of the necessary temporary loans from private sources at very low rates of interest which have averaged well below 1 percent. These loans are secured by an obligation of the Public Housing Administration to advance funds, if required, in an amount sufficient to pay off the temporary notes together with interest at their maturity. Under these financing arrangements the lending power available to the Public Housing Administration will be used primarily to provide security for funds borrowed from private investors rather than for direct loans of funds secured from the Federal Treasury.

#### FEDERAL ANNUAL CONTRIBUTIONS

The annual contributions paid by the Federal Government make up the gap between the rents which families of low income can afford to pay and the annual costs incurred in the operation of the projects including interest and amortization of all capital borrowings. The annual contributions, pursuant to law, are pledged as security for the bonds sold by the local authorities, and thus make it possible to secure much lower interest rates than would otherwise be available. Under the bill the security of this pledge will be increased, and it is expected that extremely low interest rates will be obtained, thus further



reducing the annual deficits which must be met by Federal annual contributions, and, in turn, reducing the cost of the program.

The amounts actually disbursed for annual contributions will be substantially less than the maximum authorized amounts. Since the inception of the low-rent program, the contributions actually paid for projects developed under the original act have averaged only 58.5 percent of the amounts authorized for these projects. It would therefore seem reasonable to anticipate that, in the long run, the amounts paid under the expanded program will average not over two-thirds or three-fourths of the authorized amounts. In good years, when the rent-paying ability of low-income families is better than average, the annual contributions should fall below this figure, while the full maximum amount will be available, if needed, in bad years.

Your committee has been impressed by the success of the present low-rent housing program. This success has been amply demonstrated by the testimony submitted to it, and by the findings of previous congressional committees which have studied the subject.

#### COSTS UNDER PRESENT PROGRAM

The average over-all cost of the projects developed under the United States Housing Act, most of which were built in the years 1938 to 1942, was only \$4,649 per dwelling. This low level of cost is particularly significant in view of the following facts. Nearly half of the projects were built on slum sites, the cost of which, including the purchase of the old slum buildings, greatly exceeds the amounts customarily paid by private builders for open sites. Low-rent projects in most cases installed their own utility distribution systems; this naturally increased the capital cost, but made possible the purchase of electricity, gas, and water at wholesale rates; and produced savings which, over the life of a project, will suffice to repay the added capital cost several times over. Furthermore, the projects were usually of fireproof construction and were laid out so as to preclude the danger of fires, thus resulting in savings in insurance premiums which will more than pay for the additional first cost. Finally, in the low-rent program, in accordance with the statute, prevailing wages have been paid to all workmen.

In the operation of their low-rent projects, the local authorities with the aid of the Public Housing Administration have established an equally satisfactory record. As shown in a study on the cost of housing prepared last year for the Joint Congressional Committee on Housing, the operating costs of public housing compare favorably with the best results of private enterprise. As a result of continuing efforts to achieve every possible economy in operation, low rents have been achieved which are within the means of families coming from substandard housing.

#### RENTS AND FAMILY INCOMES UNDER PRESENT PROGRAM

The rents actually charged in the original low-rent projects, as shown by the Annual Report of the Public Housing Administration for 1947, averaged only \$27.24 per month, including substantially all utilities, such as heat, electricity, and gas. This was approximately

\$1.25 per month less than the average rent charged in substandard dwellings in urban areas, and indicates that low-rent housing was being made available at about the same prices which low-income families were accustomed to pay for slum housing. The annual income of the families admitted to the original low-rent projects in 1948 averaged only \$1,481. This figure is 17 percent below the median income of urban families comprising the lowest third income group.

#### LOW-RENT PUBLIC HOUSING UNDER THE BILL

Under the bill a program of not to exceed 810,000 units of low-rent public housing over a 6-year period is provided for. The Public Housing Administration may authorize local authorities to commence the construction of 135,000 units each year in each of the succeeding 5 years. In the judgment of your committee, this represents a minimum program, considering the acute housing needs of our underprivileged families.

The Public Housing Administration is authorized under the pending bill to enter into annual contributions contracts for \$85,000,000 in the fiscal year beginning July 1, 1949. This will be increased by three annual increments of \$55,000,000 and a final \$58,000,000 on July 1, 1953. The total maximum contributions thus authorized would amount to \$308,000,000 per year. It is expected that, on the average, not more than two-thirds or three-quarters of this amount will actually be required.

The President is authorized to accelerate or retard the program in the event that he determines, after advice from the Council of Economic Advisers as to the general effect of such acceleration or retardation upon conditions in the building industry and upon the national economy, that such action is in the public interest. Subject to the total authorization of 810,000 units, the number of units which could thus be put under construction in the year beginning July 1, 1949, could be increased from 135,000 to not more than 250,000, or be decreased to as little as 50,000. Similar changes could be made in the additional number of units authorized at the beginning of any subsequent year. Subject to the total of \$308,000,000 per year, the authorization for annual contributions can also be accelerated by the President.

The bill also contains a number of amendments to the United States Housing Act which reflects the results of nearly 12 years' experience with the program. In the opinion of your committee, the act as thus amended will prove an efficient and flexible instrument in providing decent housing for underprivileged families who most need it and in facilitating the slum-clearance program authorized by the bill.

The first of these proposed amendments relates to this new slum-clearance program. Families who are displaced or are about to be displaced by public slum-clearance or redevelopment projects will be given a first preference for admission to low-rent housing. This will make suitable dwellings available to families who are to be displaced and aid slum-clearance projects in complying with the requirement in this connection which is included in the slum-clearance title. In view of the fact that a positive program of slum clearance is provided in the bill, the requirements of the United States Housing Act as to the elimination of substandard dwellings in connection with low-rent housing projects would be repealed.

Preference for a 5-year period is provided for veterans of World War II, subject only to the preference to families displaced by slum clearance. As among such displaced families, veterans with service-connected disabilities would have first preference, and other veterans or servicemen would have a second preference. As among families who have not been displaced by slum clearance, disabled veterans and other veterans and servicemen would have similar preferences. Veterans are also exempt for a 5-year period from the requirement that they must have been living in substandard housing at the time of their admission.

The bill requires that before any contract for annual contributions can be made, the local authority must show that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed project and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

In the opinion of your committee, private enterprise has never had anything to fear from the low-rent public-housing program. The provision of a 20-percent gap strengthens the existing assurances against any competition between public housing and private enterprise.

The bill will enact into law a number of safeguards which have long since been put into effect by regulations of the Public Housing Administration. Specifically, the local authorities will be required to set maximum income limits for admission to the projects and also to set limits for continued occupancy. If conditions change, the local authorities must set new income limits. All of the maximum income limits will be subject to approval by the Public Housing Administration.

In the selection of tenants, local authorities will be required not to discriminate against families whose incomes are derived in whole or in part from public assistance but who are otherwise eligible for admission. Moreover, in the initial selection of tenants for a project, local authority will be required to give preference to families with the most urgent housing needs. Thereafter, consideration must be given to the urgency of such needs.

The incomes of all tenant families must be reexamined each year; and if their incomes exceed the maximum limits for continued occupancy, they will be required to move from the project. In including this requirement, it is the expectation of your committee that income limits for continued occupancy shall not be set so low that families required to vacate low-rent housing will be unable to find minimum decent private housing, for to evict such families would be to force them back into the slums and undo all of the good which had been done through providing them low-rent housing.

The requirement as to local contributions has been modified in the pending bill. The present act calls for local contributions equal to 20 percent of the Federal contributions, which local contributions may be made in the form of cash, tax remissions, or tax exemptions. In practice they have uniformly been made through the exemption of the low-rent projects from real and personal property taxes granted pursuant to State legislation. In view of the universal adoption of



this form of local contributions and to put projects in all localities on an equal basis, the bill simply requires that the projects be exempt from real and personal property taxes. In the event that tax exemption is not legally available, local contributions may be made in cash in an amount not less than 20 percent of the Federal contribution.

In order to reimburse the cities for some part of the municipal expenditures which they make for education and all other services to the occupants of low-rent projects, a uniform payment in lieu of taxes equal to 10 percent of shelter rents is authorized. This is the amount formerly authorized by the Public Housing Administration, and, in the judgment of your committee, represents an amount which is both fair to the cities and at the same time assures an adequate local contribution through tax exemption. The bill also repeals the prohibition against any payments in lieu of taxes (other than amounts originally contracted for) which was included in the Government Corporations Appropriations Acts for 1948 and 1949 in respect to projects requiring Federal contributions in those fiscal years; and payments in lieu of taxes equal to 5 percent of shelter rents are authorized to be made retroactively as to these 2 years for all projects.

The bill revises the provisions relating to the capital costs of low-rent projects. The present dollar cost limits, adopted 1937, are utterly unrealistic in view of present cost levels. The pending bill, accordingly, raises the limitation on the cost of construction and equipment of dwelling facilities to \$1,750 per room. It also authorizes an increase in this cost limitation by not more than \$750 per room in areas where it would not be feasible without such an increase to construct public housing without sacrifice of sound standards of construction, design, and livability, and where there is an acute need for such housing the percentage of increase in the cost limitation thus provided is substantially less than the percentage of increase in construction costs which has actually occurred since 1937.

The bill also will require the Public Housing Administration, taking into account the level of construction costs in the respective localities, to approve the amount of all main construction contracts before they are awarded.

The bill reduces the maximum period for loans and annual contributions from 60 to 40 years, and the maximum contribution rate is correspondingly increased by 1 percent. By this shortening of the amortization period, lower interest rates will be obtained, and the saving in the amount of interest paid, due both to lowered rates and the shortened period, will more than compensate for the increased contribution rate.

The relative needs of low-income families living in rural nonfarm areas are certainly as great as the needs of low-income families living in urban areas. Your committee therefore contemplates that the Public Housing Administration promptly undertake a program looking to the provision of aid to local authorities wishing to provide low-rent housing in those areas. Ten percent of the authorizations for annual contributions contracts are to be reserved for rural nonfarm housing for a 3-year period after such authorizations become available.

The provisions of the United States Housing Act are, however, not well suited for dealing with the farm housing problem. The bill accordingly amends the United States Housing Act to exclude farm housing from the declaration of policy in that act.

It is further the intention of your committee that the Public Housing Administration should liquidate the small-farm housing program, which was undertaken on an experimental basis before the war. The existing houses should be disposed of as expeditiously as possible. The deferred contracts should either be converted into contracts for rural nonfarm housing or terminated by negotiation with the local authorities. Your committee believes that this program should be liquidated under the powers already granted to the Public Housing Administration, including the power to cancel contracts and obligations held by the Public Housing Administration in connection with such contracts.

## VII. HOUSING RESEARCH

The imperative need for the Federal research program that would be authorized by title III of the bill has been emphasized over and over again, in earlier reports of your committee, in the reports of the Joint Committee on Housing, and in the reports and studies of many official and unofficial groups. These reports have pointed out the relative technological backwardness of the housing industry, compared to other major industries, and have described some of the conditioning social, economic, and political factors that have caused this lag. The housing business is far too important a segment of our economy, and the benefits that could be derived from modernizing it are too large in terms of the improvement in the housing conditions of American families as well as in stability of employment and investment, to permit us to accept this situation any longer.

Your committee believes it is important to recognize the complexity of the research problem in housing. There is a too-common belief that the research task is purely one of engineering. Engineering progress is vitally important, but it is important to recognize that some of the significant impediments to progress are social or economic and that means must be found to remove these obstacles if engineering research is to yield maximum benefit. Research should therefore be directed toward first identifying specific problems, both economic and engineering, and then to finding solutions for those identified problems.

A realistic research program will recognize the fact that most of our housing is built by the relatively small-scale builder. In 1938 the Bureau of Labor Statistics reported that 86 percent of our home building was carried on by builders who constructed between 1 and 5 houses in a year. While the number of large-scale builders has undoubtedly increased since that time, particularly in the large metropolitan areas, all available evidence indicates the large majority of our building is still done by the relatively small-scale builder. Therefore, any research program, to be truly effective, must take into account the production problems of both large and small builders, and must be concerned in considerable degree with the future development of more economical and efficient building organizations.

For example, the typical small builder today cannot afford to experiment very much with unproven ideas, or to overcome singlehandedly, for example, the obstacles of overelaborate building codes. Nevertheless, hundreds of these small builders perform identical operations and cope with the same kinds of financial and management problems. This points out the fact that modest outlays for research on the production problems of the small builder may be expected to yield large and

widely usable results. The Housing and Home Finance Administrator in his testimony in support of the bill pointed out two illustrations of the results which could be accomplished in this direction. These were in connection with the roof truss and the septic tank. The Administrator reported that, with an outlay of only \$150,000 for research on these two items, it had been possible to redesign these elements so as to permit savings of about \$80 and \$150, respectively, per house. These redesigned elements would obviously not be applicable to every structure, but, if they had been applied to only 10 percent of the new homes started in 1948, they would have resulted in cost reductions in that year of approximately \$20,000,000. Similar savings could result year after year.

All presently available investigative devices must be put to work to identify the precise nature of the productive process carried on by these enterprises and the factors that condition them and prevent them from growing. In many cases, it will be necessary to develop entirely new devices, and employ them in developing better methods of financing home production, model building regulations, health, safety and sanitation codes, adequate guides for lay-out and planning, and many other such aids to the builder and the local officials with whom he must work. It is obvious that many lines of inquiry must be pursued simultaneously and that many different types of talent must be employed.

In this connection your committee desires to draw attention to the recognition of the varied nature of the research task which was given by the Housing and Home Finance Administrator in his testimony in support of these specific features of the bill. In speaking of the need for drawing on the resources of all existing agencies of the Federal Government, as well as other public and private research facilities, Mr. Foley said:

I want to emphasize the point that while, in finding solutions to the whole housing problem, leadership must be supplied by the Housing and Home Finance Agency, that Agency cannot by any means undertake the entire task. The fact-finding problems are too broad and too many, and we must bear in mind that what we are seeking are answers to our problems, rather than exclusive credit for finding them. That is why in the research title itself the Administrator is called upon to utilize to the fullest extent feasible the research facilities of other Government departments, and to consult with and advise those departments concerning ways and means through which those facilities could contribute additional services. The Administrator is further authorized to undertake studies cooperatively with industry and labor, with the agencies of State and local governments, and with educational and other nonprofit organizations.

I think this serves to make the point that the role of the housing agency is to throw light on the significant problems, to formulate and suggest methods of dealing with them, and to see that there is developed and promulgated an appropriate and consistent body of data from which intelligent judgment can be made. This is a role of guidance and leadership, both in providing a factual basis for the formulation of national housing policy, and in showing the States and communities, as well as private industries, what types of action would be most helpful to them in their own attempts to provide better housing for our people.

Your committee thoroughly agrees with this approach to the problem. The problems are so broad and varied that the full resources of all existing agencies should be enlisted. For example, the research task would be immeasurably more difficult than it is were it not for the fact that through the years the National Bureau of Standards and other bureaus of the Commerce Department have developed special skills and facilities for conducting basic research in the broad



scientific field, including work on the physical properties of building materials. Specialized laboratories like the Forest Products Laboratory and other bureaus of the Agriculture Department have likewise amassed a great deal of useful data and experience. Similarly, the Bureau of the Census has done pioneering work in developing methods for surveying the conditions of the housing inventory, while the Bureau of Labor Statistics has constantly been improving its methods of recording current residential construction volume. The Commerce Department's Construction Division has for some time been assembling and analyzing data and publishing reports on the production and consumption of materials, and the trend of construction costs. Much of the valuable research and developmental work of the Public Health Service has a direct bearing on the establishment and maintenance of good housing standards.

These are valuable research facilities and their accumulated experience would be immediately helpful in many of the most vital areas of research. It is important to note, however, that housing has necessarily been only one of many subjects dealt with by these agencies because of the necessarily more general scope of their respective programs. Housing has therefore frequently been a more or less incidental concern. The research authority in this bill would make it possible to continue the work now going on and to draw all of these important groups into an intensified effort to advance our knowledge about housing, and to supplement these efforts and fill in the gaps through its own technical housing research and studies.

It is also important to note that despite the varied facilities presently available, there are many vitally significant gaps in the existing investigative facilities. These must obviously be closed as promptly as possible. This title of the bill contemplates close cooperation between the Housing and Home Finance Agency and the research organizations to accomplish this.

Perhaps the most significant and dramatic illustration of such a gap lies in the field of housing cost analysis. High costs are at the root of the housing problem, yet the existing devices for bringing out even the elementary facts about costs and the factors underlying their persistent tendency to rise and stay above the general price level of other commodities are in many respects extremely rudimentary. This lack of the elementary data necessary to begin the analysis of costs was noted by the Joint Committee on the Economic Report last year in its report on gaps in our statistical resources:

There is need for a reliable general construction cost index for \* \* \* the predominant types of residential construction \* \* \*

The basic purpose of the research program should, of course, be to insure that the benefits of improved technologies are brought to the people in terms of better housing and more stable investment and employment. Your committee desires to point out, however, that the Federal Government has a direct and justifiable interest in obtaining a great deal more information about housing than is presently available. As a result of defense and emergency programs, the Federal Government is one of the largest owners of residential real property. It has, furthermore, underwritten a very large proportion of private home mortgage investments in recent years. It operates a system for insuring investments in savings and loan institutions. It has guaranteed a large volume of mortgages on

properties purchased by veterans. Under the slum-clearance provisions of the bill, the Federal Government will be spending substantial sums to assist communities in absorbing the losses involved in purchasing, clearing and selling or leasing urban properties at lower reuse values. These interests are large and extensive and are in themselves a compelling reason why the Government should equip itself with reliable data.

Your committee is confident that the comprehensive research program provided for in this bill will make it possible to launch a broad-scale attack on the underlying technical, economic and social problems in housing. It will make possible expanded technological progress resulting in better housing at reduced cost. It will bring a better understanding of the complex factors affecting the housing market and improved methods for dealing with those factors. It will also result in a strengthening and expansion of our statistical resources for gaging the magnitude of the problem and the effectiveness of our efforts in solving it.

### VIII. FARM HOUSING

The provision of Federal financial assistance for the improvement of housing conditions on farms is an indispensable part of any housing program. The effects of bad housing apply with equal force on farm families, and on the health and character of their children, as they do in our cities and towns. Your committee is further concerned with the importance of adequate housing in the creation of a living environment that will attract and hold to the land, as a source of livelihood, those best able to utilize our soil resources to meet present and future needs for agricultural products.

While there has been considerable improvement in farm housing since 1940, the fact remains that after nearly a decade of unparalleled farm prosperity, a much higher proportion of farm than urban dwellings are in bad physical condition, and the majority of farm families lack in their homes many of the amenities now considered essential in urban dwellings. Evidence before your committee indicates that nearly a third of the Nation's farm families derive insufficient income from their farming operations to finance the needed improvements to their homes (and other building improvements essential to successful farm operations).

The farm housing provisions of this bill are the outgrowth of several years of study of this phase of the housing problem by your committee and other committees of the Congress and by the Department of Agriculture. They recognize the intimate relationship between the house and the farm as a production unit. Because of this relationship (through the Farmers Home Administration) as follows:

1. Loans, up to 33 years at not to exceed 4 percent interest, to owners of self-sustaining farms who are otherwise unable to finance adequate housing for themselves or others working on the farms (or other needed building improvements). The loans would not require a first mortgage on the farm property and could be secured by the farmers' equity in the farms. The bill provides that such loans be refinanced through cooperative or other responsible private credit sources whenever feasible.

2. Similar loans, supplemented by annual contributions, to owners whose farms are not presently self-sustaining but which may be

brought up to a self-sustaining level through a satisfactory program of enlargement, improvement or adjusted farm practices. The subsidies, applied as a partial credit on interest and principal payments, could not be made available to an owner for more than 10 years and, in the aggregate, could not exceed \$5,000,000 after the third year of the program; lesser amounts would be authorized for the earlier years.

3. Loans and grants for minor improvements and minimum repairs to farm dwellings and other farm building on farms which, in the judgment of the Secretary of Agriculture, could not be made self-sustaining. The amount available would be limited to \$1,000 for any one farm or dwelling or building owned by one individual, and not in excess of \$2,000 in the aggregate to any one individual. The grant portion with respect to any one dwelling or building could not exceed \$500. While your committee does not consider financial aid for major improvements, responsibility for administering these provisions is placed in the Secretary of Agriculture.

Housing on the farms of the Nation has on the whole lagged behind the development of adequate, decent, safe, and sanitary dwellings of urban communities. On most farms, the income from farming operations controls the type of dwelling on the farm. The operator of the farm does not have a free choice of dwellings comparable to the worker in the city. The uncertainty of agricultural income, in addition to the other hazards of agricultural production, have prohibited long-time financing of building improvements on many farms. The types and extent of conventional credit which is available to farmers is usually needed in the acquisition or operation of the farm, leaving little or no credit available for the improvement of farm buildings. Neither the insurance of private investments by the Government nor the urban type of public housing assistance will meet the needs of more than a million farm families for adequate, decent, safe, and sanitary housing and other necessary farm buildings. A special type of financial assistance designed specifically to meet the problems of the farmers who cannot get credit elsewhere and of research and technical services, pointed toward more efficient and more economical construction of farm buildings, must be undertaken by the Government. The authority for such assistance is provided in title IV of this bill.

The financing aids provided in this title consist of loans, which after the fourth year, could aggregate \$250,000,000, and, in certain cases, annual contributions and grants. They would be made available on such farms to be desirable, it believes some provision should be made for minor improvements, such as roof repairs, toilet facilities, sanitary water supply, to eliminate conditions hazardous to health and safety (and to protect the borrower's property) until the occupants are satisfactorily relocated. Grants totaling \$12,500,000 are authorized over a 4-year period.

The bill also contains an extremely necessary and desirable authorization which permits the expansion of technical services, such as plans, specifications, construction supervision and inspection, and advice and information in the Department of Agriculture, and authorizes the Secretary to conduct a program of research with a view to reducing costs, and to make market studies and assemble data in the farm-housing field.



## IX. MISCELLANEOUS PROVISIONS

Title V contains a number of miscellaneous provisions. There are three more important matters to which your committee desires to call special attention.

## ELIMINATION OF SECTION WITHDRAWING TAX EXEMPTION OF LOCAL OBLIGATIONS

Your committee was in agreement with the statement made earlier by the chairman (Congressional Record, January 18, 1949, appendix, p. 241) that the provision in the original bill (S. 138) which would withdraw (from bonds and other obligations issued by local public agencies in connection with slum clearance and low-rent public housing assisted under the bill) the tax-exemption now accorded the obligations of States and their political subdivisions is within the jurisdiction of the Senate Finance and House Ways and Means Committees and should not be considered by the Senate Banking and Currency Committee, and eliminated that section from the bill.

## AMENDMENTS OF NATIONAL BANKING ACT

Under provisions contained in titles I and II of the bill, a local public agency may, in connection with a slum clearance or low-rent housing project, borrow moneys from private investors on short-term notes, instead of securing an advance from the Federal Government under its loan contract. Such short-term notes when issued may, under the bill be secured by an unconditional agreement by the Federal Government to advance to the local public agency under its loan contract moneys sufficient to meet the principal and interest at maturity of such short-term notes, and required to be used for this purpose. In view of the special security features which would thus attach to these notes, section 502 (a) would authorize national banks and (to the extent permitted by State law) State member banks of the Federal Reserve System to purchase or underwrite such notes (having a maturity of not more than 18 months) without regard to present legal restrictions limiting transactions to a fixed percentage of the bank's capital and surplus. Similar authority is extended by this section with respect to certain long-term bonds of local public housing agencies to which special security features would attach in accordance with this bill under annual contributions contracts between the Federal Government and the local public agencies. This action would be consistent with the present provisions of law which permit such banks to underwrite and deal in obligations of the United States Government, general obligations of any State or of any political subdivision thereof, and obligations issued under authority of the Federal Farm Loan Act or by the Federal home loan banks. The amendment to paragraph 7 of section 5136 of the Revised Statutes, made by subsection (a) of section 502, relates only to short-term obligations when they are classified as "investment securities." The Treasury Department, however, believes that some issues of these short-term notes may not have the qualifications of "investment securities" but would rather partake of the nature of a loan. Therefore, it is necessary to also amend section 5200 of the Revised Statutes which prescribes the same limitations for the purchase of loans as are prescribed by section 5136

for the purchase of investment securities. This is done by section 502 (b) of the bill.

#### CENSUS OF HOUSING

Section 507 of the bill would direct the Bureau of the Census to take a census of housing in each of the 48 States and the District of Columbia, Hawaii, Puerto Rico, Virgin Islands, and Alaska in 1950 and decennially thereafter. The proposed census would provide information concerning the number, characteristic, geographic distribution of dwelling units in the United States.

The Director of the Bureau of the Census would also be authorized to assemble supplemental statistical data in advance of or after the taking of such housing census as he finds necessary to the completion of the project.

In its study of the housing situation your committee has been deeply impressed by the urgent need for a comprehensive picture of the size and quality of the Nation's housing inventory. Time and again in the course of the testimony on this bill the importance of knowing in detail the facts about the housing supply which provides shelter for some 40,000,000 American families became apparent. While the sample census taken in April 1947 has shed considerable light on the over-all magnitude of our present problem and has emphasized the deficiency in our housing inventory in terms of its adequacy for meeting the needs of a substantial segment of our population, there are many gaps in our knowledge which can only be filled by a complete census of housing which will provide an accurate measure of the changes in the size, characteristics, and quality of the housing supply, community by community, and furnish a basis for a careful reappraisal of the problem in the light of conditions then prevailing.

Your committee has been impressed with the fact that the need for housing is peculiarly a local problem. It is a matter of the relationship between the number of people and the effective supply of housing of satisfactory quality in each individual center of population. The tremendous geographic shifting of population which has taken place from 1940 largely as a result of the war makes it imperative that our knowledge on a locality basis be brought up to date. This is especially important inasmuch as titles I and II of this bill call upon communities to present a determination of need for slum clearance and low-rent housing. Bench-mark data such as can be provided through a Nation-wide complete census of housing will be invaluable in such determination.

An authoritative determination of the location of existing housing units as well as an indication of their physical characteristics, quality, values, and rentals will also provide one of the most effective tools with which to approach the whole problem of the local determination of the need for new houses. It can be an important key to profitable investment in housing by all segments of the business community.

In the addition to the large number of builders, and real-estate brokers for whom housing furnishes their livelihood, literally thousands upon thousands of people depend upon housing to provide a market for part or all of the output of their goods or services. Forests, mines, mills, and farms as well as workmen of all types offer their products of their services to the building, maintenance, and operation of the Nation's housing inventory. An examination of the current housing

inventory and its recent changes can be of incalculable value in formulating intelligent judgments as to what future trends may be.

Private groups which have expressed their interest in having a complete census of housing taken in 1950 and decennially thereafter include such national organizations as United States Chamber of Commerce, American Marketing Association, American Bankers Association, National Lumber Manufacturers Association, National Association of Real Estate Boards, United States Building and Loan League. In addition, hundreds of other business organizations, large and small, to say nothing of many individual home builders, have expressed their need for complete information on housing characteristics. Information obtained in a census of housing is valuable as well as in the efficient discharge of the responsibility of Federal, State, and municipal agencies concerned with housing, building construction, city planning, social welfare, and related activities.

In including this section in the bill your committee also recognizes the importance of early action by the Congress on the necessary authorization for a census of housing. Thus, while the need for legislation of this type has been voiced many times, both before and after the taking of the first census of housing in 1940, there is at present no specific authority for the taking of a census of housing in 1950 similar in scope to that taken in 1940. Therefore, immediate legislative action is necessary to facilitate adequate planning and organization of the technical and administrative details of this important project. Unless the Bureau of the Census has immediate authority to plan for such a large undertaking, the quality of the 1950 census could be seriously impaired. The census of housing must be coordinated with the census of population and the census of agriculture which will be enumerated at the same time by the same enumerators.

#### OTHER PROVISIONS

The Government Corporations Appropriation Acts of 1948 and 1949 included provisos to the effect that no payments of annual contributions should be made which were occasioned by payments in lieu of taxes in excess of amounts originally contracted for. This reference to original contracts had the effect of prohibiting payments under revised contracts which had legally been entered into prior to July 1, 1947, the date on which the first of the appropriation act restrictions was effective. These limitations on funds appropriated for annual contributions made it impossible for the Public Housing Administration, in a number of cases, to comply with contracts validly in existence. The provisos of the two appropriation acts are therefore repealed by section 504 as of the beginning of the fiscal years to which they apply.

The bill would also repeal a proviso in the Government Corporations Appropriation Act for 1949 which limits the number of employees of the Public Housing Administration above grades CAF-10 and P-3 to not exceeding 20 percent of the total number of such employees. The committee believes that this limitation is unduly restrictive and that it will prove especially detrimental to efficient operations in view of the Public Housing Administration's increased responsibilities under this bill to furnish financial and technical aid to hundreds of



local public agencies and to perform important supervisory activities with respect to those agencies.

Other provisions of this title of the bill provide for the appointment by the Housing and Home Finance Administrator of advisory committees which would serve to further cooperation between the Government and private persons and groups interested in housing from the viewpoints of the consumer, industry, finance, and labor; the appointment of and compensation for a Deputy Housing and Home Finance Administrator to assist the Administrator and to act in his absence; makes the Secretary of Labor, or his designee, and the Federal Security Administrator, or his designee, members of the National Housing Council in the Housing and Home Finance Agency, in recognition of the interest of these agencies in problems related to the Federal Government's housing program; for the conversion of certain State-aided low-rent or veterans' housing projects, under appropriate conditions, to low-rent housing assisted under the United States Housing Act of 1937; and for the usual provisions as to separability and the act being controlling in the event of inconsistency with any other act.

## X. MAXIMUM RATES OF FINANCIAL COMMITMENTS UNDER S. 1070

[In millions of dollars]

	Fiscal year					Total
	1950	1951	1952	1953	1954	
Commitments for repayable loans:						
Slum clearance <sup>1</sup> .....	25	225	250	250	250	1,000
Low-rent public housing <sup>2</sup> .....	700					700
Farm housing <sup>3</sup> .....	25	50	75	100		250
Total, repayable loans.....	750	275	325	350	250	1,950
Contracts for grants:						
Slum clearance <sup>4</sup> .....	100	100	100	100	100	500
Farm housing.....	1	2.5	4	5		12.5
Total, grants.....	101	102.5	104	105	100	512.5
Contracts for annual contributions:						<i>Any subsequent year</i>
Low-rent public housing <sup>5</sup> .....	85	55	55	55	58	<sup>6</sup> 308
Farm housing.....	.5	1	1.5	2		<sup>7</sup> 5
Total, annual contributions.....	85.5	56	56.5	57	58	313

<sup>1</sup> May be increased, within total authorization, at any time or times by the President by not to exceed in any fiscal year an additional 250 million dollars.

<sup>2</sup> This amount added to existing authorization of 800 million dollars and the total authorization placed on a revolving fund basis.

<sup>3</sup> Subject to annual determination by the Congress within these limits.

<sup>4</sup> May be increased, within total authorization, at any time or times by the President by not to exceed in any fiscal year an additional 100 million dollars.

<sup>5</sup> May be increased, within total authorization, at any time or times by the President by not to exceed in any fiscal year an additional 55 million dollars.

<sup>6</sup> The annual contributions authorized for low-rent public housing may be paid over a 40-year period. The 308 million dollars is the maximum amount which may be paid in any 1 year. Since the inception of the original program, the annual contributions actually paid have amounted to 58.5 percent of the maximum amounts which could be paid.

<sup>7</sup> The contributions authorized for farm housing may be paid over a 10-year period.

**XI. RECOMMENDATIONS OF THE SUBCOMMITTEE ON HOUSING AND URBAN REDEVELOPMENT OF THE SENATE SPECIAL COMMITTEE ON POSTWAR ECONOMIC POLICY AND PLANNING, AND OF THE JOINT COMMITTEE ON HOUSING COVERED BY S. 1070 AS FAVORABLY REPORTED**

**NATIONAL HOUSING POLICY**

(Provisions which cover these recommendations are included in section 2 of S. 1070)

**1. Subcommittee recommendation (August 1945):**

A clear statement of national policy to maintain the predominance of private enterprise and to keep governmental participation supplementary to private enterprise.

**2. Joint committee recommendation (March 1948):**

The Congress should promptly enact comprehensive housing legislation to provide the additional aids to housing outlined below which are needed to reach and maintain housing production at a rate of 1,250,000 to 1,500,000 dwellings per year, and establishing a firm national housing policy along the lines indicated earlier in this report. This policy should make it clear that the resources of the Federal Government will be utilized to provide the aids necessary to achieve eventually a decent home and suitable living environment for all American families, with primary emphasis upon expanding and improving the housing services of private enterprise.

**SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT**

(Provisions which cover these recommendations are included in title I of S. 1070)

**1. Subcommittee recommendation (August 1945):**

The establishment, on a provisional basis, of a new form of assistance to cities in ridding themselves of unhealthful housing conditions and of restoring blighted areas to productive use by private enterprise.

This recommendation is amplified in the report of the subcommittee as follows:

Revealing testimony has been presented to the subcommittee on the tremendous task that our cities face in eliminating slums and blighted areas and in restoring the land in these districts to appropriate uses. It is clear that the task of redevelopment involves much more than a program of rehousing, whether that be by public or private means.

The subcommittee is not convinced that the Federal Government should embark upon a general program of aid to cities looking to their rebuilding in more attractive and economical patterns. It does suggest, however, that because of the accepted national interest in housing conditions, the Federal Government should provide aid where the area in question is to be redeveloped primarily for residential use or where the area is now predominantly residential in character and the clearance of the area would in itself serve a public purpose through the removal of unsafe and unsanitary dwelling structures. In the latter case, aid should not be conditioned on the reuse of the area for housing purposes but should be available for whatever use the cities, through official planning agencies, should determine to be appropriate.

Even in cases where new housing is considered appropriate for the reclaimed area, the subcommittee is of the opinion that the processes of land acquisition should be separated from those of housing. The subcommittee has observed that the combination of these processes has frequently resulted in the maintenance of, or, in fact, the increase of, undesirable population densities, although the housing may be the beneficiary of local or Federal subsidies, or both. The purpose of any special aid in the urban redevelopment should be for the express purpose of permitting a revaluing of the land at an amount compatible with the way in which it is to be redeveloped, thus avoiding the necessity of using land in ways that are dictated by current prices.

In making the attack on this problem, the possibility of loss in connection with any effective program of urban redevelopment must be recognized. In fact, the main problem of redevelopment beyond questions relating to the processes of planning and of land assembly and resale (which are strictly State and local matters), is one of absorbing losses which cannot be assumed by prospective re-developers. While a plan of financial assistance should be designed to minimize losses, it should at the same time make provision for absorbing those losses that cannot be avoided.

\* \* \* \* \*

At the same time, it must be recognized that, whatever the size of the program initially undertaken, the character of the aid extended must be sufficient not to be self-defeating. If the aid is inadequate it may either prevent the initiation of redevelopment programs, or, by forcing overcrowding of the redeveloped area, lead to more slums in the future.

## 2. Joint committee recommendation (March 1948):

Provision should be made now for Federal aid to local communities to enable them to undertake the clearance of their slums and blighted areas so as to make such areas available for redevelopment with the active participation of private enterprise. For this purpose, the Housing and Home Finance Administrator should be authorized to undertake a program of loan and subsidy assistance to communities. This program should be wholly distinct and separate from the low-rent public-housing program. The subsidy should be on a capital-grant basis and should involve a sharing of the net costs of slum clearance between the Federal Government and local communities on a 2 to 1 matching basis. As an initial program, the Administrator should be authorized to make, over the next 5-year period, \$1,000,000,000 in loans, repayable with interest, and \$500,000,000 in subsidy commitments, at the rate of \$100,000,000 a year. Such a program should be authorized immediately in order to make possible the preparatory steps necessary in connection with such a program.

### LOW-RENT PUBLIC HOUSING

(Provisions which cover these recommendations are included in title III of S. 1070)

## 1. Subcommittee recommendation (August 1945):

In view of the inadequacies of the existing supply of urban dwellings that have been demonstrated in the testimony, and the disparity between incomes and the costs of new housing, a disparity that does not seem likely to be removed in the years immediately ahead, the subcommittee is convinced that remedial measures must be provided that will permit the more rapid removal of substandard housing and the rehousing of low-income families that can reasonably be expected to take place through the processes of private initiative and finance.

To this end, the subcommittee endorses the continuance of the aids to local authorities established by the United States Housing Act of 1937, with an increase in the authorization now available. In supporting this program, the subcommittee makes certain recommendations in the light of the principles already set forth in this report.

The subcommittee recommends that authorization for Federal contribution be expanded to permit the construction of a total of 500,000 additional family units in public housing over a 4-year period.

The subcommittee recognizes that the amount of the authorizations may not meet the needs that may be encountered. It believes, that in view of the problems to be faced in restoring builder organizations, re-creating an adequate flow of builders' supplies, and the desirability of giving the widest possible scope to private initiative, that the proposed limit to be proper for the immediate future, and that the actual amounts of public housing to be produced in any one year should be determined by conditions prevailing in the construction industry and in the general economy at the time.

## 2. Joint committee recommendation (March 1948):

Provision should be made for assistance to local communities under the United States Housing Act of 1937 for the provision over a period of the next 5 years of a maximum of 500,000 units of low-rent public housing for families of low income with (1) additional safeguards written into the act to increase local responsibility, to make sure that tenancy is restricted to low-income families, and avoid any



competition with private housing; (2) preference to the families of veterans and servicemen for a period of 5 years; (3) revision of the applicable cost limitations, which have not been revised since the original act of 1937, so as to bring them in line with current housing costs; (4) shortening the period for the payment of annual contributions from 60 years to 40 years; (5) an increase of the rate of maximum Federal contribution by 1 percent per annum of development cost, which increase will be more than compensated for by the shortened period over which Federal contributions can be paid; (6) provision that, in the event of a major default by a local authority in its contractual obligations, the Public Housing Authority may take over a low-rent housing project until such default is cured, and may continue to pay annual contributions not in excess of the original amount contracted for; and (7) revision of the present \$800,000,000 borrowing authorization of PHA to make it clear that amounts repaid are available for reloaning.

(It is believed that with the aid of the financing amendments recommended above it would be possible for local authorities to sell bonds to private investors covering substantially the entire cost of low-rent projects and at a substantial saving in interest costs as compared with the cost of borrowing from the Government. The reduction in interest rate, estimated to be approximately one-half of 1 percent per annum, would permit more rapid amortization of bonds, and combined with the shorter period during which bonds are outstanding, should result in a very great decrease in total interest costs.)

#### HOUSING RESEARCH

(Provisions which cover these recommendations are included in title III of S. 1070)

##### 1. Subcommittee recommendation (August 1945):

The subcommittee is concerned about the fragmentary character of research, both technical and economic, in the field of housing and construction. It is convinced that properly designed research programs are essential, not only to the formulation of governmental policy but to the determination of sound operations by private industry and finance. It would, therefore, approve appropriate measures for coordinating the results of existing research and initiating original inquiries that will insure a sound basis for both public and private decisions.

\* \* \* \* \*

As previously recommended, the National Housing Administrator should be authorized to sponsor or undertake research essentials to the better functioning of the housing market. The subcommittee, however, recognizes that the problem has wider scope than that of housing alone, and that the construction and operation of housing are intimately associated with the whole of real estate and construction activities. The subcommittee, therefore, urges that the Congress give attention to the development of means for providing adequate research in this broader field.

##### 2. Joint committee recommendation (March 1948):

There should be provided the basic authority for a program of technical housing research and studies within the Housing and Home Finance Agency to initiate and coordinate research activities aimed at the reduction of housing costs through the development and acceptance of more efficient homebuilding techniques and methods, and new materials and equipment, utilizing fully existing private and public research and testing facilities and placing special emphasis on promoting the development and adoption of improved and standardized building codes and standardized dimensions and methods for the assembly of home-building materials and equipment.

This recommendation is amplified in the report of the joint committee as follows:

The committee has heard abundant testimony that the greatest possibilities for the progressive reduction of housing costs and expansion of the private housing market appear to lie in a coordinated program of technical research to develop better and more economical construction methods, to encourage the use of new materials, and to achieve efficiency and economy in all phases of the housing industry.

Technical research will not be effective in reducing housing costs unless the results of such research are widely adopted by the building industry. For this reason any research program that is authorized should include authority for the widest possible dissemination of the results of research. At the same time there are many existing obstacles to the adoption of cost-saving techniques now known by the industry. These obstacles include antiquated building codes, unenlightened building code administration, and restrictive practices imposed by almost every element in the building industry.

The technical research program should be directed not only to the development of new techniques and materials but also to the development of model codes and ordinances and standards which local governments can utilize as a basis for more uniform and modern building codes. Such a modernization of building codes will make possible the widespread adoption of product and dimensional standards by the building industry and the materials manufacturers and distributors.

#### FARM HOUSING

(Provisions which cover these recommendations are included in title IV of S. 1070)

##### 1. Subcommittee recommendation (August 1945):

The subcommittee has given special attention to the problem of farm housing. As previously noted, housing conditions on farms and rural areas are relatively much worse than in our cities. Yet the relation of the standard of farm housing to the whole agricultural economy is so intimate, that it is impossible to treat farm housing separately from the earning capacity of the land on which it is located.

\* \* \* \* \*

Testimony offered to the subcommittee, while revealing the seriousness of the farm housing problem, did not suggest promising solutions. As has often been the case, the relative magnitude of the urban housing problem deprived the farm situation of its proper emphasis.

Consequently, the subcommittee is not at this time prepared to approve concrete recommendations as to the scope of Federal activity in respect to the farm housing for the postwar era. It does, however, make the following interim recommendations:

1. All existing facilities for aiding farm families to obtain better housing should for the present be continued, and the responsible officials should fully and vigorously exercise the powers granted to them for this purpose.

2. In its appraisals, the Farm Credit Administration might well give greater consideration to a substantial, well-equipped farmhouse as a factor in the productivity of the farm.

3. The National Housing Administrator, in concert with the Secretary of Agriculture, should immediately prepare for the consideration of the Congress a report embodying:

(a) A comprehensive study of farm and farm-related housing in its relationship to agricultural conditions.

(b) A critical study of the existing means for aiding in the improvement of farm-housing conditions with recommendations for their modification and better coordination.

(c) Suggestions as to further means, if any, that the Federal Government should take to bring about improvement in farm-housing conditions.

##### 2. Joint committee recommendation (March 1948):

Although, under present circumstances, the need for farm housing may not be as urgent as the need for urban housing, provision should be made now for the Department of Agriculture to assist farm families who cannot otherwise obtain adequate housing, with particular attention to the needs of families living on farms potentially capable of providing an adequate income. The assistance should take the form of long-term low-interest loans, with limited subsidy assistance where needed, in the form of a partial credit against loan interest and principal, during the period of improvement of the farm. For families on farms not potentially capable of providing an adequate income, there should be special loans or grants for minor improvements to meet minimum health standards. The Secretary of Agriculture should be provided with adequate loan and grant authorizations for both types of programs.





81ST CONGRESS  
1ST SESSION

## S. 1070

[Report No. 84]

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 25 (legislative day, FEBRUARY 21), 1949

Mr. ELLENDER (for himself, Mr. MAYBANK, Mr. WAGNER, Mr. SPARKMAN, Mr. MYERS, Mr. HILL, Mr. PEPPER, Mr. LONG, Mr. TAYLOR, Mr. DOUGLAS, Mr. FREAR, Mr. FLANDERS, Mr. TOBEY, Mr. TAFT, Mr. AIKEN, Mr. MORSE, Mr. LODGE, Mr. YOUNG, Mr. BALDWIN, Mr. IVES, Mr. THYE, and Mrs. SMITH of Maine) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

FEBRUARY 25 (legislative day, FEBRUARY 21), 1949

Reported by Mr. MAYBANK, without amendment

## A BILL

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Housing Act of 1949".

## 4 DECLARATION OF NATIONAL HOUSING POLICY

5 SEC. 2. The Congress hereby declares that the general  
6 welfare and security of the Nation and the health and living  
7 standards of its people require housing production and re-

lated community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate

1 housing through the clearance of slums and blighted  
2 areas, to facilitate community development and redevelop-  
3 ment, and to provide adequate housing for urban and  
4 rural nonfarm families with incomes so low that they  
5 are not being decently housed in new or existing hous-  
6 ing shall be extended to those localities which estimate  
7 their own needs and demonstrate that these needs are not  
8 being met through reliance solely upon private enterprise,  
9 and without such aid; and (5) governmental assistance  
10 for decent, safe, and sanitary farm dwellings and related  
11 facilities shall be extended where the farm owner dem-  
12 onstrates that he lacks sufficient resources to provide  
13 such housing on his own account and is unable to secure  
14 necessary credit for such housing from other sources on  
15 terms and conditions which he could reasonably be expected  
16 to fulfill. The Housing and Home Finance Agency and its  
17 constituent agencies, and any other departments or agencies  
18 of the Federal Government having powers, functions, or  
19 duties with respect to housing, shall exercise their powers,  
20 functions, and duties under this or any other law, consistently  
21 with the national housing policy declared by this Act and  
22 in such manner as will facilitate sustained progress in attain-  
23 ing the national housing objective hereby established, and  
24 in such manner as will encourage and assist (1) the produc-  
25 tion of housing of sound standards of design, construction,



1 livability, and size for adequate family life; (2) the reduction  
2 of the costs of housing without sacrifice of such sound stand-  
3 ards; (3) the use of new designs, materials, techniques, and  
4 methods in residential construction, the use of standardized  
5 dimensions and methods of assembly of home-building ma-  
6 terials and equipment, and the increase of efficiency in resi-  
7 dential construction and maintenance; (4) the development  
8 of well-planned, integrated, residential neighborhoods and the  
9 development and redevelopment of communities; and (5)  
10 the stabilization of the housing industry at a high annual  
11 volume of residential construction.

12 TITLE I—SLUM CLEARANCE AND COMMUNITY  
13 DEVELOPMENT AND REDEVELOPMENT

14 LOCAL RESPONSIBILITIES

15 SEC. 101. In extending financial assistance under this  
16 title, the Administrator shall—

17 (a) give consideration to the extent to which ap-  
18 propriate local public bodies have undertaken positive  
19 programs (1) for encouraging housing cost reductions  
20 through the adoption, improvement, and moderniza-  
21 tion of building and other local codes and regulations  
22 so as to permit the use of appropriate new materials,  
23 techniques, and methods in land and residential plan-  
24 ning, design, and construction, the increase of efficiency  
25 in residential construction, and the elimination of re-

1 strictive practices which unnecessarily increase housing  
2 costs, and (2) for preventing the spread or recurrence,  
3 in such community, of slums and blighted areas through  
4 the adoption, improvement, and modernization of local  
5 codes and regulations relating to land use and adequate  
6 standards of health, sanitation, and safety for dwell-  
7 ing accommodations; and

8 (b) encourage the operations of such local public  
9 agencies as are established on a State, or regional  
10 (within a State), or unified metropolitan basis or as  
11 are established on such other basis as permits such  
12 agencies to contribute effectively toward the solution  
13 of community development or redevelopment problems  
14 on a State, or regional (within a State), or unified  
15 metropolitan basis.

#### 16 LOANS

17 SEC. 102. (a) To assist local communities in eliminating  
18 their slums and blighted areas and in providing maximum  
19 opportunity for the redevelopment of project areas by  
20 private enterprise, the Administrator may make temporary  
21 and definitive loans to local public agencies for the under-  
22 taking of projects for the assembly, clearance, preparation,  
23 and sale and lease of land for redevelopment. Such loans  
24 (outstanding at any one time) shall be in such amounts  
25 not exceeding the expenditures to be made by the local

1 public agency as part of the gross project cost, bear in-  
2 terest at such rate (not less than the applicable going  
3 Federal rate), be secured in such manner, and be repaid  
4 within such period (not exceeding, in the case of definitive  
5 loans, forty years from the date of the bonds evidenc-  
6 ing such loans), as may be deemed advisable by the  
7 Administrator.

8 (b) In connection with any project on land which is  
9 open or predominantly open, the Administrator may make  
10 temporary loans to municipalities or other public bodies for  
11 the provision of public buildings or facilities necessary to  
12 serve or support the new uses of land in the project area.  
13 Such temporary loans shall be in such amounts not exceeding  
14 the expenditures to be made for such purpose, bear interest  
15 at such rate (not less than the applicable going Federal  
16 rate), be secured in such manner, and be repaid within such  
17 period (not exceeding ten years from the date of the obliga-  
18 tions evidencing such loans), as may be deemed advisable by  
19 the Administrator.

20 (c) Loans made pursuant to subsection (a) or (b)  
21 hereof may be made subject to the condition that, if at any  
22 time or times or for any period or periods during the life  
23 of the loan contract the local public agency can obtain loan  
24 funds from sources other than the Federal Govern-  
25 ment at interest rates lower than provided in the loan



1 contract, it may do so with the consent of the Admin-  
2 istrator at such times and for such periods without waiving  
3 or surrendering any rights to loan funds under the contract  
4 for the remainder of the life of such contract, and, in any  
5 such case, the Administrator is authorized to consent to a  
6 pledge by the local public agency of the loan contract,  
7 and any or all of its rights thereunder, as security for the  
8 repayment of the loan funds so obtained from other sources.

9 (d) The Administrator may make advances of funds  
10 to local public agencies for surveys and plans in prepa-  
11 ration of projects which may be assisted under this title, and  
12 the contracts for such advances of funds may be made  
13 upon the condition that such advances of funds shall  
14 be repaid, with interest at not less than the applicable going  
15 Federal rate, out of any moneys which become available  
16 to such agency for the undertaking of the project or projects  
17 involved.

18 (e) To obtain funds for loans under this title, the  
19 Administrator, on and after July 1, 1949, may, with the  
20 approval of the President, issue and have outstanding at  
21 any one time notes and obligations for purchase by the Sec-  
22 retary of the Treasury in an amount not to exceed \$25,-  
23 000,000, which limit on such outstanding amount shall be  
24 increased by \$225,000,000 on July 1, 1950, and by further  
25 amounts of \$250,000,000 on July 1 in each of the years

1 1951, 1952, and 1953, respectively: *Provided*, That (sub-  
2 ject to the total authorization of not to exceed \$1,000,-  
3 000,000) such limit, and any such authorized increase  
4 therein, may be increased, at any time or times, by not to  
5 exceed in any fiscal year an additional \$250,000,000 upon a  
6 determination by the President, after receiving advice from  
7 the Council of Economic Advisers as to the general effect of  
8 such increase upon the conditions in the building industry  
9 and upon the national economy, that such action is in the  
10 public interest.

11 (f) Notes or other obligations issued by the Admin-  
12 istrator under this title shall be in such forms and denom-  
13 inations, have such maturities, and be subject to such terms  
14 and conditions as may be prescribed by the Administrator,  
15 with the approval of the Secretary of the Treasury. Such  
16 notes or other obligations shall bear interest at a rate de-  
17 termined by the Secretary of the Treasury, taking into  
18 consideration the current average rate on outstanding mar-  
19 ketable obligations of the United States as of the last day  
20 of the month preceding the issuance of such notes or other  
21 obligations. The Secretary of the Treasury is authorized  
22 and directed to purchase any notes and other obligations  
23 of the Administrator issued under this title and for such  
24 purpose is authorized to use as a public debt transaction the  
25 proceeds from the sale of any securities issued under the

1 Second Liberty Bond Act, as amended, and the purposes  
2 for which securities may be issued under such Act, as  
3 amended, are extended to include any purchases of such  
4 notes and other obligations. The Secretary of the Treas-  
5 ury may at any time sell any of the notes or other obli-  
6 gations acquired by him under this section. All redemp-  
7 tions, purchases, and sales by the Secretary of the Treasury  
8 of such notes or other obligations shall be treated as pub-  
9 lic debt transactions of the United States.

10 (g) Obligations, including interest thereon, issued by  
11 local public agencies for projects assisted pursuant to this  
12 title, and income derived by such agencies from such projects,  
13 shall be exempt from all taxation now or hereafter imposed  
14 by the United States.

15 CAPITAL GRANTS

16 SEC. 103. (a) The Administrator may make capital  
17 grants to local public agencies to enable such agencies to  
18 make land in project areas available for redevelopment at  
19 its fair value for the uses specified in the redevelopment  
20 plans: *Provided*, That the Administrator shall not make any  
21 contract for capital grant with respect to a project which  
22 consists of open unplatted urban or suburban land. The  
23 aggregate of such capital grants with respect to all the  
24 projects of a local public agency on which contracts for



1 capital grants have been made under this title shall not  
2 exceed two-thirds of the aggregate of the net project costs  
3 of such projects, and the capital grants with respect to any  
4 individual project shall not exceed the difference between  
5 the net project cost and the local grants-in-aid actually made  
6 with respect to the project.

7 (b) The Administrator, on and after July 1, 1949,  
8 may, with the approval of the President, contract to make  
9 capital grants, with respect to projects assisted under this  
10 title, aggregating not to exceed \$100,000,000, which limit  
11 shall be increased by further amounts of \$100,000,000 on  
12 July 1 in each of the years 1950, 1951, 1952, and 1953,  
13 respectively: *Provided*, That (subject to the total authoriza-  
14 tion of not to exceed \$500,000,000) such limit, and any such  
15 authorized increase therein, may be increased, at any time  
16 or times, by not to exceed in any fiscal year an additional  
17 \$100,000,000 upon a determination by the President, after  
18 receiving advice from the Council of Economic Advisers as  
19 to the general effect of such increase upon the conditions in  
20 the building industry and upon the national economy, that  
21 such action is in the public interest. The faith of the United  
22 States is solemnly pledged to the payment of all capital  
23 grants contracted for under this title, and there are hereby  
24 authorized to be appropriated, out of any money in the Treas-

1 ury not otherwise appropriated, the amounts necessary to  
2 provide for such payments.

3           REQUIREMENTS FOR LOCAL GRANTS-IN-AID

4       SEC. 104. Every contract for capital grant under this  
5 title shall require local grants-in-aid in connection with the  
6 project involved which, together with the local grants-in-aid  
7 to be provided in connection with all other projects of the  
8 local public agency on which contracts for capital grants  
9 have theretofore been made, will be at least equal to one-  
10 third of the aggregate net project costs involved (it being  
11 the purpose of this provision and section 103 to limit the  
12 aggregate of the capital grants made by the Administrator  
13 with respect to all the projects of a local public agency on  
14 which contracts for capital grants have been made under  
15 this title to an amount not exceeding two-thirds of the dif-  
16 ference between the aggregate of the gross project costs of  
17 all such projects and the aggregate of the total sales prices  
18 and capital values referred to in section 110 (f) of land in  
19 such projects).

20           LOCAL DETERMINATIONS

21       SEC. 105. Contracts for financial aid shall be made only  
22 with a duly authorized local public agency and shall require  
23 that—

24           (a) The redevelopment plan for the project area

1 be approved by the governing body of the locality  
2 in which the project is situated, and that such approval  
3 include findings by the governing body that (i) the  
4 financial aid to be provided in the contract is necessary  
5 to enable the land in the project area to be redeveloped  
6 in accordance with the redevelopment plan; (ii) the  
7 redevelopment plans for the redevelopment areas in the  
8 locality will afford maximum opportunity, consistent  
9 with the sound needs of the locality as a whole, for the  
10 redevelopment of such areas by private enterprise; and  
11 (iii) the redevelopment plan conforms to a general  
12 plan for the development of the locality as a whole;

13 (b) When land acquired or held by the local public  
14 agency in connection with the project is sold or leased,  
15 the purchasers or lessees shall be obligated (i) to devote  
16 such land to the uses specified in the redevelopment plan  
17 for the project area; (ii) to begin the building of their  
18 improvements on such land within a reasonable time;  
19 and (iii) to comply with such other conditions as the  
20 Administrator finds, prior to the execution of the con-  
21 tract for loan or capital grant pursuant to this title, are  
22 necessary to carry out the purposes of this title;

23 (c) There be a feasible method for the temporary  
24 relocation of families displaced from the project area,  
25 and that there are or are being provided, in the project



1 area or in other areas not generally less desirable in  
2 regard to public utilities and public and commercial  
3 facilities and at rents or prices within the financial  
4 means of the families displaced from the project area,  
5 decent, safe, and sanitary dwellings equal in number to  
6 the number of and available to such displaced families  
7 and reasonably accessible to their places of employment:

8 *Provided*, That in view of the existing acute housing  
9 shortage, each such contract entered into prior to July  
10 1, 1951, shall further provide that there shall be no  
11 demolition of residential structures in connection with  
12 the project assisted under the contract prior to July 1,  
13 1951, if the local governing body determines that the  
14 demolition thereof would reasonably be expected to  
15 create undue housing hardship in the locality.

#### 16 GENERAL PROVISIONS

17 SEC. 106. (a) In the performance of, and with respect  
18 to, the functions, powers, and duties vested in him by this  
19 title, the Administrator, notwithstanding the provisions of  
20 any other law, shall—

21 (1) appoint a Director to administer the provisions  
22 of this title under the direction and supervision of the  
23 Administrator and the basic rate of compensation of such  
24 position shall be the same as the basic rate of compensa-

1       tion established for the heads of the constituent agencies  
2       of the Housing and Home Finance Agency;

3           (2) prepare annually and submit a budget program  
4       as provided for wholly owned Government corporations  
5       by the Government Corporation Control Act, as  
6       amended;

7           (3) maintain an integral set of accounts which shall  
8       be audited annually by the General Accounting Office  
9       in accordance with the principles and procedures appli-  
10      cable to commercial transactions as provided by the  
11      Government Corporation Control Act, as amended, and  
12      no other audit shall be required: *Provided*, That such  
13      financial transactions of the Administrator as the mak-  
14      ing of advances of funds, loans, or capital grants and  
15      vouchers approved by the Administrator in connection  
16      with such financial transactions shall be final and  
17      conclusive upon all officers of the Government; and

18           (4) make an annual report to the President, for  
19      transmission to the Congress, to be submitted as soon as  
20      practicable following the close of the year for which  
21      such report is made.

22           (b) Funds made available to the Administrator pur-  
23      suant to the provisions of this title shall be deposited in a  
24      checking account or accounts with the Treasurer of the  
25      United States. Receipts and assets obtained or held by the

1 Administrator in connection with the performance of his  
2 functions under this title shall be available for any of the  
3 purposes of this title (except for capital grants pursuant to  
4 section 103 hereof), and all funds available for carrying out  
5 the functions of the Administrator under this title (including  
6 appropriations therefor, which are hereby authorized), shall  
7 be available, in such amounts as may from year to year be  
8 authorized by the Congress, for the administrative expenses  
9 of the Administrator in connection with the performance of  
10 such functions.

11 (c) In the performance of, and with respect to, the  
12 functions, powers, and duties vested in him by this title, the  
13 Administrator, notwithstanding the provisions of any other  
14 law, may—

15 (1) sue and be sued;

16 (2) foreclose on any property or commence any  
17 action to protect or enforce any right conferred upon him  
18 by any law, contract, or other agreement, and bid for  
19 and purchase at any foreclosure or any other sale any  
20 project or part thereof in connection with which he has  
21 made a loan or capital grant pursuant to this title. In  
22 the event of any such acquisition, the Administrator  
23 may, notwithstanding any other provision of law relating  
24 to the acquisition, handling, or disposal of real property  
25 by the United States, complete, administer, dispose of,



1 and otherwise deal with, such project or part thereof:  
2 *Provided*, That any such acquisition of real property  
3 shall not deprive any State or political subdivision  
4 thereof of its civil jurisdiction in and over such property  
5 or impair the civil rights under the State or local laws  
6 of the inhabitants on such property;

7 (3) enter into agreements to pay annual sums in  
8 lieu of taxes to any State or local taxing authority with  
9 respect to any real property so acquired or owned, and  
10 such sums shall approximate the taxes which would be  
11 paid upon such property to the State or local taxing  
12 authority, as the case may be, if such property were  
13 not exempt from taxation;

14 (4) sell or exchange at public or private sale, or  
15 lease, real or personal property, and sell or exchange any  
16 securities or obligations, upon such terms as he may fix;

17 (5) obtain insurance against loss in connection with  
18 property and other assets held;

19 (6) subject to the specific limitations in this title,  
20 consent to the modification, with respect to rate of inter-  
21 est, time of payment of any installment of principal  
22 or interest, security, amount of capital grant, or any  
23 other term, of any contract or agreement to which he is  
24 a party or which has been transferred to him pursuant  
25 to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan

1 shall be made therefor by the public housing agency under-  
2 taking the housing project, and such amount shall be included  
3 as part of the development cost of the low-rent housing  
4 project.

5                   SURPLUS FEDERAL REAL PROPERTY

6       SEC. 108. The President may at any time in his dis-  
7 cretion, transfer, or cause to be transferred, to the Admin-  
8 istrator any right, title, or interest held by the Federal  
9 Government or any department or agency thereof in any  
10 land (including buildings thereon) which is surplus to the  
11 needs of the Government and which a local public agency  
12 certifies will be within the area of a project being planned  
13 by it. When such land is sold to the local public agency by  
14 the Administrator, it shall be sold at a price equal to its  
15 fair market value, and the proceeds from such sale shall be  
16 covered into the Treasury as miscellaneous receipts.

17                   PROTECTION OF LABOR STANDARDS

18       SEC. 109. In order to protect labor standards—

19           (a) Any contract for financial aid pursuant to  
20 this title shall contain a provision requiring that not less  
21 than the wages or fees prevailing in the locality, as deter-  
22 mined or adopted (subsequent to a determination under  
23 applicable State or local law) by the Administrator,  
24 shall be paid to all architects, technical engineers, drafts-  
25 men, technicians, laborers, and mechanics employed in



1 the development of the project involved; and the Admin-  
2 istrator may require certification as to compliance with  
3 the provisions of this paragraph prior to making any  
4 payment under such contract;

5 (b) The provisions of sections 1 and 2 of the  
6 Act of June 13, 1934 (U. S. C., title 40, secs. 276b  
7 and 276c), shall apply to any project financed in whole  
8 or in part with funds made available pursuant to this  
9 title;

10 (c) Any contractor engaged on any project fi-  
11 nanced in whole or in part with funds made available  
12 pursuant to this title shall report monthly to the Secre-  
13 tary of Labor, and shall cause all subcontractors to report  
14 in like manner, within five days after the close of each  
15 month and on forms to be furnished by the United States  
16 Department of Labor, as to the number of persons on  
17 their respective pay rolls on the particular project, the  
18 aggregate amount of such pay rolls, the total man-hours  
19 worked, and itemized expenditures for materials. Any  
20 such contractor shall furnish to the Department of Labor  
21 the names and addresses of all subcontractors on the  
22 work at the earliest date practicable.

#### 23 DEFINITIONS

24 SEC. 110. The following terms shall have the meanings,  
25 respectively, ascribed to them below, and, unless the context

1 clearly indicates otherwise, shall include the plural as well as  
2 the singular number:

3 (a) "Redevelopment area" means an area which is ap-  
4 propriate for development or redevelopment and within  
5 which a project area is located.

6 (b) "Redevelopment plan" means a plan, as it exists  
7 from time to time, for the development or redevelopment of  
8 a redevelopment or project area, which plan shall be suffi-  
9 ciently complete (1) to indicate its relationship to definite  
10 local objectives as to appropriate land uses and improved  
11 traffic, public transportation, public utilities, recreational and  
12 community facilities, and other public improvements; and  
13 (2) to indicate proposed land uses and building requirements  
14 in the project area: *Provided*, That the Administrator shall  
15 take such steps as he deems necessary to assure consistency  
16 between the redevelopment plan and any highways or other  
17 public improvements in the locality receiving financial as-  
18 sistance from the Federal Works Agency.

19 (c) "Project" may include (1) acquisition of (i) a  
20 slum area or a deteriorated or deteriorating area which is  
21 predominantly residential in character, or (ii) any other  
22 deteriorated or deteriorating area which is to be developed  
23 or redeveloped for predominantly residential uses, or (iii)  
24 platted urban or suburban land which is predominantly open  
25 and which because of obsolete platting, diversity of owner-

1 ship, deterioration of structures or of site improvements, or  
2 otherwise substantially impairs or arrests the sound growth  
3 of the community and which is to be developed for predomi-  
4 nantly residential uses, or (iv) open unplatted urban or  
5 suburban land necessary for sound community growth which  
6 is to be developed for predominantly residential uses (in  
7 which event the project thereon, as provided in the proviso  
8 of section 103 (a) hereof, shall not be eligible for any capi-  
9 tal grant); (2) demolition and removal of buildings and  
10 improvements; (3) installation, construction, or reconstruc-  
11 tion of streets, utilities, and other site improvements  
12 essential to the preparation of sites for uses in accordance  
13 with the redevelopment plan; and (4) making the land  
14 available for development or redevelopment by private  
15 enterprise or public agencies (including sale, initial leasing,  
16 or retention by the local public agency itself) at its fair value  
17 for uses in accordance with the redevelopment plan. For the  
18 purposes of this title, the term "project" shall not include the  
19 construction of any of the buildings contemplated by the  
20 redevelopment plan, and the term "redevelopment" and  
21 derivatives thereof shall mean develop as well as redevelop.  
22 For any of the purposes of section 109 hereof, the term  
23 "project" shall not include any donations or provisions made  
24 as local grants-in-aid and eligible as such pursuant to clauses  
25 (2) and (3) of section 110 (d) hereof.



1       (d) "Local grants-in-aid" shall mean assistance by a  
2 State, municipality, or other public body, or any other entity,  
3 in connection with any project on which a contract for capital  
4 grant has been made under this title, in the form of (1) cash  
5 grants; (2) donations, at cash value, of land (exclusive of  
6 land in streets, alleys, and other public rights-of-way which  
7 may be vacated in connection with the project), and demo-  
8 lition or removal work, or site improvements in the project  
9 area, at their cost; and (3) the provision, at their cost, of  
10 parks, playgrounds, and public buildings or facilities (other  
11 than low-rent public housing) which are primarily of direct  
12 benefit to the project and which are necessary to serve or  
13 support the new uses of land in the project area in accord-  
14 ance with the redevelopment plan: *Provided*, That, in any  
15 case where, in the determination of the Administrator, any  
16 park, playground, public building, or facility is of direct and  
17 substantial benefit both to the project and to other areas,  
18 the Administrator shall provide that, for the purpose of com-  
19 puting the amount of the local grants-in-aid for such project,  
20 there shall be included an allowance of an appropriate por-  
21 tion (as determined by the Administrator) of the cost of such  
22 park, playground, public building, or facility. No demolition  
23 or removal work, improvement, or facility for which a State,  
24 municipality, or other public body has received or has con-  
25 tracted to receive any grant or subsidy from the United

1 States, or any agency or instrumentality thereof, for such  
2 work, or the construction of such improvement or facility,  
3 shall be eligible for inclusion as a local grant-in-aid in con-  
4 nection with a project or projects assisted under this title.

5 (e) "Gross project cost" shall comprise (1) the amount  
6 of the expenditures by the local public agency with respect  
7 to any and all undertakings necessary to carry out the  
8 project (including the payment of carrying charges, but  
9 not beyond the point where the project is completed), and  
10 (2) the amount of such local grants-in-aid as are furnished  
11 in forms other than cash.

12 (f) "Net project cost" shall mean the difference be-  
13 tween the gross project cost and the aggregate of (1) the  
14 total sales prices of all land sold, and (2) the total capital  
15 values (i) imputed, on a basis approved by the Adminis-  
16 trator, to all land leased, and (ii) used as a basis for deter-  
17 mining the amounts to be transferred to the project from  
18 other funds of the local public agency to compensate for any  
19 land retained by it for use in accordance with the redevelop-  
20 ment plan.

21 (g) "Going Federal rate" means the annual rate of  
22 interest (or, if there shall be two or more such rates of in-  
23 terest, the highest thereof) specified in the most recently  
24 issued bonds of the Federal Government having a maturity  
25 of ten years or more, determined at the date the contract for

1 advance of funds or for loan is made. Any contract for  
 2 loan made may be revised or superseded by a later contract,  
 3 so that the going Federal rate, on the basis of which the  
 4 interest rate on the loan is fixed, shall mean the going Fed-  
 5 eral rate, as herein defined, on the date that such contract  
 6 is revised or superseded by such later contract.

7 (h) "Local public agency" means any State, county,  
 8 municipality, or other governmental entity or public body  
 9 which is authorized to undertake the project for which assist-  
 10 ance is sought. "State" includes the several States, the Dis-  
 11 trict of Columbia, and the Territories, dependencies, and  
 12 possessions of the United States.

13 (i) "Administrator" means the Housing and Home  
 14 Finance Administrator.

## 15 TITLE II—LOW-RENT PUBLIC HOUSING

### 16 LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY

#### 17 ONLY BY LOW-INCOME FAMILIES

18 SEC. 201. The United States Housing Act of 1937, as  
 19 amended, is hereby amended by adding the following addi-  
 20 tional subsections to section 15:

21 "(7) In recognition that there should be local deter-  
 22 mination of the need for low-rent housing to meet needs  
 23 not being adequately met by private enterprise—

24 "(a) the Authority shall not make any contract  
 25 with a public housing agency for preliminary loans (all



1 of which shall be repaid out of any moneys which be-  
2 come available to such agency for the development of  
3 the projects involved) for surveys and planning in  
4 respect to any low-rent housing projects initiated after  
5 March 1, 1949, (i) unless the governing body of the  
6 locality involved has by resolution approved the appli-  
7 cation of the public housing agency for such preliminary  
8 loan; and (ii) unless the public housing agency has  
9 demonstrated to the satisfaction of the Authority that  
10 there is a need for such low-rent housing which is not  
11 being met by private enterprise; and

12 “(b) the Authority shall not make any contract for  
13 loans (other than preliminary loans) or for annual con-  
14 tributions pursuant to this Act with respect to any low-  
15 rent housing project initiated after March 1, 1949, (i)  
16 unless the governing body of the locality involved has  
17 entered into an agreement with the public housing agency  
18 providing for the local cooperation required by the  
19 Authority pursuant to this Act; and (ii) unless the  
20 public housing agency has demonstrated to the satisfac-  
21 tion of the Authority that a gap of at least 20 per centum  
22 has been left between the upper rental limits for admis-  
23 sion to the proposed low-rent housing and the lowest  
24 rents at which private enterprise unaided by public

1       subsidy is providing (through new construction and  
2       available existing structures) a substantial supply of  
3       decent, safe, and sanitary housing toward meeting the  
4       need of an adequate volume thereof.

5       “(8) Every contract made pursuant to this Act for  
6       annual contributions for any low-rent housing project initi-  
7       ated after March 1, 1949, shall provide that—

8               “(a) the public housing agency shall fix maximum  
9       income limits for the admission and for the continued  
10      occupancy of families in such housing, that such maxi-  
11      mum income limits and all revisions thereof shall be  
12      subject to the prior approval of the Authority, and that  
13      the Authority may require the public housing agency  
14      to review and to revise such maximum income limits if  
15      the Authority determines that changed conditions in the  
16      locality make such revisions necessary in achieving the  
17      purposes of this Act;

18              “(b) a duly authorized official of the public housing  
19      agency involved shall make periodic written statements  
20      to the Authority that an investigation has been made  
21      of each family admitted to the low-rent housing project  
22      involved during the period covered thereby, and that,  
23      on the basis of the report of said investigation, he has  
24      found that each such family at the time of its admission  
25      (i) had a net family income not exceeding the maximum

1 income limits theretofore fixed by the public housing  
2 agency (and approved by the Authority) for admis-  
3 sion of families of low income to such housing; and  
4 (ii) lived in an unsafe, insanitary, or overcrowded  
5 dwelling, or was to be displaced by another low-rent  
6 housing project or by a public slum-clearance or rede-  
7 velopment project, or actually was without housing,  
8 or was about to be without housing as a result  
9 of a court order of eviction, due to causes other  
10 than the fault of the tenant: *Provided*, That the re-  
11 quirement in (ii) shall not be applicable in the case  
12 of the family of any veteran or serviceman (or of any  
13 deceased veteran or serviceman) where application for  
14 admission to such housing is made not later than five  
15 years after March 1, 1949;

16 “(c) in the selection of tenants (i) the public  
17 housing agency shall not discriminate against families,  
18 otherwise eligible for admission to such housing, because  
19 their incomes are derived in whole or in part from public  
20 assistance and (ii) in initially selecting families for  
21 admission to dwellings of given sizes and at specified  
22 rents the public housing agency shall (subject to the  
23 preferences prescribed in subsection 10 (g) of this Act)  
24 give preference to families having the most urgent  
25 housing need, and thereafter, in selecting families for



1 admission to such dwellings, shall give due consideration  
2 to the urgency of the families' housing needs; and

3 " (d) the public housing agency shall make periodic  
4 reexaminations of the net incomes of tenant families  
5 living in the low-rent housing project involved; and  
6 if it is found, upon such reexamination, that the net  
7 incomes of any such families have increased beyond  
8 the maximum income limits fixed by the public housing  
9 agency (and approved by the Authority) for continued  
10 occupancy in such housing, such families shall be re-  
11 quired to move from the project."

12 VETERANS' PREFERENCES

13 SEC. 202. The United States Housing Act of 1937,  
14 as amended, is hereby amended as follows:

15 (a) By adding the following new subsection to section  
16 10:

17 " (g) Every contract made pursuant to this Act  
18 for annual contributions for any low-rent housing project  
19 initiated after March 1, 1949, shall require that the  
20 public housing agency, as among low-income families  
21 which are eligible applicants for occupancy in dwell-  
22 ings of given sizes and at specified rents, shall extend  
23 the following preferences in the selection of tenants:

24 "First, to families which are to be displaced by any  
25 low-rent housing project or by any public slum-clearance

1 or redevelopment project, or which were so displaced  
2 within three years prior to making application to such  
3 public housing agency for admission to any low-rent  
4 housing; and as among such families where an applica-  
5 tion for admission is made not later than five years  
6 after March 1, 1949, first preference shall be given to  
7 families of disabled veterans whose disability has been  
8 determined by the Veterans' Administration to be serv-  
9 ice-connected, and second preference shall be given to  
10 families of other veterans and servicemen (including  
11 families of deceased veterans or servicemen) ;

12 "Second, to families of other veterans and service-  
13 men (including families of deceased veterans or service-  
14 men) where an application for admission is made not  
15 later than five years after March 1, 1949; and as among  
16 such families first preference shall be given to families of  
17 disabled veterans whose disability has been determined  
18 by the Veterans' Administration to be service-  
19 connected."

20 (b) By adding the following new subsection to section 2:

21 "(14) The term 'veteran' shall mean a person who has  
22 served in the active military or naval service of the United  
23 States at any time on or after September 16, 1940, and  
24 prior to July 26, 1947, and who shall have been discharged  
25 or released therefrom under conditions other than dishonor-

1 able. The term 'serviceman' shall mean a person in the  
2 active military or naval service of the United States who  
3 has served therein on or after September 16, 1940, and  
4 prior to July 26, 1947."

5 COST LIMITS

6 SEC. 203. Subsection 15 (5) of the United States  
7 Housing Act of 1937, as amended, is hereby amended to  
8 read as follows:

9 "(5) No contract for any loan, annual contribution,  
10 or capital grant made pursuant to this Act shall be en-  
11 tered into by the Authority with respect to any low-rent  
12 housing project completed after January 1, 1948, having  
13 a cost for construction and equipment of more than \$1,750  
14 per room (excluding land, demolition, and nondwelling  
15 facilities) ; except that in the case of Alaska any such con-  
16 tract may be entered into with respect to a project having a  
17 cost for construction and equipment of not to exceed \$2,500  
18 per room (excluding land, demolition, and nondwelling  
19 facilities) : *Provided*, That if the Administrator finds that  
20 in the geographical area of any project (i) it is not feasible  
21 under the aforesaid cost limitations to construct the project  
22 without sacrifice of sound standards of construction, design,  
23 and livability, and (ii) there is an acute need for such  
24 housing, he may prescribe in such contract cost limitations  
25 which may exceed by not more than \$750 per room the



1 limitations that would otherwise be applicable to such project  
2 hereunder. The Authority shall make loans, grants, and  
3 annual contributions only for such low-rent housing projects  
4 as it finds are to be undertaken in such a manner that such  
5 projects will not be of elaborate or extravagant design or  
6 materials, and economy will be promoted both in construc-  
7 tion and administration. In order to attain the foregoing  
8 objective, every contract for financial assistance entered into  
9 with respect to any low-rent housing project initiated after  
10 March 1, 1949, shall provide that no award of the main  
11 construction contract for such project shall be made unless  
12 the Authority, taking into account the level of construction  
13 costs prevailing in the locality where such project is to be  
14 located, shall have specifically approved the amount of such  
15 main construction contract.”

16 PRIVATE FINANCING

17 SEC. 204. In order to stimulate increasing private  
18 financing of low-rent housing projects, the United States  
19 Housing Act of 1937, as amended, is hereby amended as  
20 follows:

21 (a) The last proviso of subsection (b) of section 10 is  
22 repealed, and subsection (f) of said section is amended to  
23 read as follows:

24 “(f) Payments under annual contributions contracts  
25 shall be pledged as security for any loans obtained by a

1 public housing agency to assist the development or acqui-  
 2 tion of the housing project to which the annual contributions  
 3 relate.”;

4 (b) The following is added after section 21:

5 “PRIVATE FINANCING

6 “SEC. 22. To facilitate the enlistment of private capital  
 7 through the sale by public housing agencies of their bonds  
 8 and other obligations to others than the Authority, in financ-  
 9 ing low-rent housing projects, and to maintain the low-rent  
 10 character of housing projects—

11 “(a) Every contract for annual contributions (includ-  
 12 ing contracts which amend or supersede contracts previously  
 13 made) may provide that—

14 “(1) upon the occurrence of a substantial default  
 15 in respect to the covenants or conditions to which the  
 16 public housing agency is subject (as such substantial  
 17 default shall be defined in such contract), the public  
 18 housing agency shall be obligated at the option of the  
 19 Authority, either to convey title in any case where, in  
 20 the determination of the Authority (which determina-  
 21 tion shall be final and conclusive), such conveyance of  
 22 title is necessary to achieve the purposes of this Act, or  
 23 to deliver possession to the Authority of the project, as  
 24 then constituted, to which such contract relates;

25 “(2) the Authority shall be obligated to reconvey or

1 to redeliver possession of the project, as constituted at the  
2 time of reconveyance or redelivery, to such public hous-  
3 ing agency or to its successor (if such public housing  
4 agency or a successor exists) upon such terms as shall  
5 be prescribed in such contract and as soon as practicable:

6 (i) after the Authority shall be satisfied that all defaults  
7 with respect to the project have been cured, and that the  
8 project will, in order to fulfill the purposes of this Act,  
9 thereafter be operated in accordance with the terms of  
10 such contract; or (ii) after the termination of the obli-  
11 gation to make annual contributions available unless  
12 there are any obligations or covenants of the public hous-  
13 ing agency to the Authority which are then in default.

14 Any prior conveyances and reconveyances, deliveries  
15 and redeliveries of possession shall not exhaust the right  
16 to require a conveyance or delivery of possession of the  
17 project to the Authority pursuant to subparagraph (1),  
18 upon the subsequent occurrence of a substantial default.

19 “(b) Whenever such contract for annual contributions  
20 shall include provisions which the Authority, in said con-  
21 tract, determines are in accordance with subsection (a)  
22 hereof, and the annual contributions, pursuant to such con-  
23 tract, have been pledged by the public housing agency as  
24 security for the payment of the principal and interest on



1 any of its obligations, the Authority (notwithstanding any  
2 other provisions of this Act) shall continue to make annual  
3 contributions available for the project so long as any of  
4 such obligations remain outstanding, and may covenant in  
5 such contract (in lieu of the provision required by the first  
6 sentence of subsection 15 (3) of this Act) that in any event  
7 such annual contributions shall in each year be at least equal  
8 to an amount which, together with such income or other  
9 funds as are actually available from the project for the pur-  
10 pose at the time such annual contribution is made, will suffice  
11 for the payment of all installments, falling due within the  
12 next succeeding twelve months, of principal and interest on  
13 the obligations for which the annual contributions provided  
14 for in the contract shall have been pledged as security:  
15 *Provided*, That such annual contributions shall not be in  
16 excess of the maximum sum determined pursuant to the  
17 provisions of this Act; and in no case shall such annual  
18 contributions be in excess of the maximum sum specified  
19 in the contract involved, nor for longer than the remainder  
20 of the maximum period fixed by the contract.”;

21 (c) In the fourth sentence of section 9 the words “going  
22 Federal rate at the time the loan is made,” are deleted, in  
23 the first proviso of subsection 10 (b) the words “going  
24 Federal rate of interest at the time such contract is made”  
25 are deleted, and in lieu thereof in each case there are sub-

stituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than  $2\frac{1}{2}$  per centum.";

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contribu-

1 tions for a period not exceeding forty years from the date  
2 the first annual contribution for the project is paid, such  
3 loans shall bear interest at a rate not less than the applicable  
4 going Federal rate.”;

5 (e) Subsection 10 (c) is amended by striking out the  
6 period at the end of the last sentence and adding a colon  
7 and the following: “*Provided, That, in the case of projects*  
8 *initiated after March 1, 1949, contracts for annual con-*  
9 *tributions shall not be made for a period exceeding forty*  
10 *years from the date the first annual contribution for the*  
11 *project is paid: And provided further, That, in the case of*  
12 *such projects or any other projects with respect to which*  
13 *the contracts for annual contributions (including contracts*  
14 *which amend or supersede contracts previously made) pro-*  
15 *vide for annual contributions for a period not exceeding forty*  
16 *years from the date the first annual contribution for the*  
17 *project is paid, the fixed contribution may exceed the amount*  
18 *provided in the first proviso of subsection (b) of this sec-*  
19 *tion by 1 per centum of development or acquisition cost.”;*

20 (f) The first sentence of subsection 10 (c) is amended  
21 to read as follows: “Every contract for annual contribu-  
22 tions shall provide that whenever in any year the receipts  
23 of a public housing agency in connection with a low-rent  
24 housing project exceed its expenditures (including debt serv-  
25 ice, administration, maintenance, establishment of reserves,



1 and other costs and charges), an amount equal to such ex-  
2 cess shall be applied, or set aside for application, to purposes  
3 which, in the determination of the Authority, will effect a  
4 reduction in the amount of subsequent annual contributions.”;

5 (g) Section 14 is amended by inserting the following  
6 after the first sentence: “When the Authority finds that it  
7 would promote economy or be in the financial interest of the  
8 Federal Government, any contract heretofore or hereafter  
9 made for annual contributions, loans, or both, may, with  
10 Presidential approval, be amended or superseded by a con-  
11 tract of the Authority so that the going Federal rate on the  
12 basis of which such annual contributions or interest rate on  
13 the loans, or both, respectively, are fixed shall mean the  
14 going Federal rate, as herein defined, on the date of Presi-  
15 dential approval of such amending or superseding contract:  
16 *Provided*, That contracts may not be amended or superseded  
17 in a manner which would impair the rights of the holders of  
18 any outstanding obligations of the public housing agency in-  
19 volved for which annual contributions have been pledged.”;

20 (h) Section 20 is amended to read as follows:

21 “SEC. 20. The Authority may issue and have outstand-  
22 ing at any one time notes and other obligations for purchase  
23 by the Secretary of the Treasury in an amount not to exceed  
24 \$1,500,000,000. Such notes or other obligations shall be

1 in such forms and denominations, shall have such maturities,  
2 and shall be subject to such terms and conditions as may be  
3 prescribed by the Authority with the approval of the Secre-  
4 tary of the Treasury. Such notes or other obligations shall  
5 bear interest at a rate determined by the Secretary of the  
6 Treasury, taking into consideration the current average rate  
7 on outstanding marketable obligations of the United States  
8 as of the last day of the month preceding the issuance of the  
9 notes or other obligations by the Authority. The Secretary  
10 of the Treasury is authorized and directed to purchase any  
11 notes or other obligations of the Authority issued hereunder  
12 and for such purpose is authorized to use as a public debt  
13 transaction the proceeds from the sale of any securities issued  
14 under the Second Liberty Bond Act, as amended, and the  
15 purposes for which securities may be issued under such Act,  
16 as amended, are extended to include any purchases of such  
17 obligations. The Secretary of the Treasury may at any time  
18 sell any of the notes or other obligations acquired by him  
19 under this section. All redemptions, purchases, and sales  
20 by the Secretary of the Treasury of such notes or other obli-  
21 gations shall be treated as public debt transactions of the  
22 United States.”;

23 (i) Subsection 2 (5) is amended to read as follows:

24 “(5) The term ‘development’ means any or all

undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."



## 1 ANNUAL CONTRIBUTIONS

2 SEC. 205. The United States Housing Act of 1937, as  
3 amended, is hereby amended as follows:

4 (a) By inserting the following after the first sentence  
5 of subsection (e) of section 10: "With respect to projects  
6 assisted pursuant to this Act, the Authority (in addition  
7 to the amount authorized by the first sentence of this sub-  
8 section) is authorized, with the approval of the President, to  
9 enter into contracts, on and after July 1, 1949, for annual  
10 contributions aggregating not more than \$85,000,000 per  
11 annum, which limit shall be increased by further amounts of  
12 \$55,000,000 on July 1 in each of the years 1950, 1951,  
13 and 1952, respectively, and by \$58,000,000 on July 1,  
14 1953: *Provided*, That (subject to the total additional  
15 authorization of not more than \$308,000,000 per annum)  
16 such limit, and any such authorized increase therein, may  
17 be increased at any time or times by not to exceed in  
18 any fiscal year an additional amount of \$55,000,000 upon  
19 a determination by the President, after receiving advice  
20 from the Council of Economic Advisers as to the general  
21 effect of such increase upon conditions in the building  
22 industry and upon the national economy, that such action  
23 is in the public interest: *And provided further*, That 10  
24 per centum of each amount of authorization to enter into  
25 contracts for annual contributions becoming available here-

1 under shall, for a period of three years after such amount  
2 of authorization becomes available, be available only for  
3 annual contributions contracts with respect to projects to  
4 be located in rural nonfarm areas. With respect to projects  
5 initiated after March 1, 1949, the Authority may authorize  
6 the commencement of construction of not to exceed one  
7 hundred and thirty-five thousand dwelling units after July  
8 1, 1949, which limit shall be increased by further amounts  
9 of one hundred and thirty-five thousand dwelling units on  
10 July 1 in each of the years 1950 through and including  
11 1954, respectively: *Provided*, That (subject to the author-  
12 ization of not to exceed eight hundred and ten thousand  
13 dwelling units) such limit, and any such authorized increase  
14 therein, may be increased at any time or times by not to  
15 exceed in any fiscal year an additional one hundred and  
16 fifteen thousand dwelling units, or may be decreased at  
17 any time or times by not to exceed in any fiscal year eighty-  
18 five thousand dwelling units, upon a determination by the  
19 President, after receiving advice from the Council of Eco-  
20 nomic Advisers as to the general effect of such increase or  
21 decrease upon conditions in the building industry and upon  
22 the national economy, that such action is in the public inter-  
23 est: *And provided further*, That contracts for annual contribu-  
24 tions with respect to low-rent housing projects initiated after  
25 March 1, 1949, shall not provide for the development of

1 more than eight hundred and ten thousand dwelling units  
2 without further authorization from the Congress.”; and

3 (b) By deleting the third sentence of subsection 10 (a)  
4 and adding the following new subsection to section 10:

5 “(h) Every contract made pursuant to this Act for  
6 annual contributions for any low-rent housing project  
7 initiated after March 1, 1949, shall provide that no annual  
8 contributions by the Authority shall be made available for  
9 such project unless such project is exempt from all real and  
10 personal property taxes levied or imposed by the State, city,  
11 county, or other political subdivisions, but such contract may  
12 authorize the public housing agency to make payments in  
13 lieu of such taxes in an annual amount not in excess of 10 per  
14 centum of the annual shelter rents charged in such project:

15 *Provided, That, with respect to any such project to be*  
16 *located in any State where, by reason of constitutional limi-*  
17 *tations or otherwise, such project is not exempt from all real*  
18 *and personal property taxes levied or imposed by the State,*  
19 *city, county, or other political subdivision, such contract may*  
20 *provide, in lieu of the requirement for tax exemption, that*  
21 *no annual contributions by the Authority shall be made avail-*  
22 *able for such project unless and until the State, city, county,*  
23 *or other political subdivision in which such project is situ-*  
24 *ated shall contribute, in the form of cash, at least 20 per*  
25 *centum of the annual contributions paid by the Authority.*



1 In respect to low-rent housing projects initiated prior to  
2 March 1, 1949, the Authority may, after the effective date  
3 of the Housing Act of 1949, authorize payments in lieu of  
4 taxes for each of the project fiscal years in respect to which  
5 annual contributions were payable during the two-year  
6 period ending June 30, 1949, in amounts which, together  
7 with amounts already paid, will not exceed the greater of  
8 either (i) 5 per centum of the shelter rents charged in such  
9 projects for each of such project fiscal years, or (ii) the  
10 amounts specified in the cooperation agreements in effect  
11 July 1, 1947, between the public housing agencies and the  
12 political subdivisions in which the projects are located, or in  
13 the ordinances or resolutions of such political subdivisions in ef-  
14 fect on such date. In respect to such low-rent housing projects  
15 initiated prior to March 1, 1949, the contracts for annual con-  
16 tributions may be amended as to project fiscal years in respect  
17 to which annual contributions are payable on or after July 1,  
18 1949, so as to require exemption from real and personal prop-  
19 erty taxes in lieu of any other requirements as to local con-  
20 tributions and to permit payments in lieu of taxes on the terms  
21 prescribed in the first sentence of this subsection; in the event  
22 that the contracts for annual contributions are not so amended,  
23 payments in lieu of taxes in respect to such project fiscal years  
24 shall be limited to the amounts specified in the cooperation  
25 agreements or ordinances or resolutions in effect July 1, 1947."

## SPECIAL PROVISIONS FOR LARGE FAMILIES OF

## LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

## TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of



1 Public Law 671, Seventy-sixth Congress, approved June 28,  
2 1940, references therein to the United States Housing Act  
3 of 1937, as amended, shall include all amendments to said  
4 Act made by the Housing Act of 1949 or by any other  
5 law thereafter enacted.”;

6 (d) By deleting the proviso in subsection 10 (a) and  
7 the proviso in subsection 11 (a), and in each case changing  
8 the colon preceding the word “*Provided*” to a period;

9 (e) By amending the second sentence of subsection 13  
10 (a) to read as follows: “The Authority may bid for and  
11 purchase at any foreclosure by any party or at any other  
12 sale, or (pursuant to section 22 or otherwise) acquire  
13 or take possession of any project which it previously  
14 owned or in connection with which it has made a loan,  
15 annual contribution, or capital grant; and in such event the  
16 Authority may complete, administer, pay the principal of  
17 and interest on any obligations issued in connection with  
18 such project, dispose of, and otherwise deal with, such proj-  
19 ects or parts thereof, subject, however, to the limitations  
20 elsewhere in this Act governing their administration and  
21 disposition.”;

22 (f) By amending subsection 16 (2) by inserting after  
23 the words “contain a provision requiring that” the words  
24 “not less than”;

25 (g) By amending subsection 21 (d) to read as follows:

1       “(d) Not more than 10 per centum of the total annual  
2 amount of \$336,000,000 provided in this Act for annual  
3 contributions, nor more than 10 per centum of the amounts  
4 provided for in this Act for grants, shall be expended within  
5 any one State.”; and

6       (h) By renumbering sections 22 to 30, inclusive, so  
7 that they become sections 23 to 31, inclusive.

8       TITLE III—HOUSING RESEARCH

9       SEC. 301. Title III of Public Law 901, Eightieth  
10 Congress, approved August 10, 1948, is hereby amended  
11 to read as follows:

12       “SEC. 301. The Housing and Home Finance Admin-  
13 istrator shall—

14       “(a) Undertake and conduct a program with respect  
15 to technical research and studies concerned with the de-  
16 velopment, demonstration, and promotion of the acceptance  
17 and application of new and improved techniques, materials,  
18 and methods which will permit progressive reductions in  
19 housing construction and maintenance costs, and stimulate  
20 the increased and sustained production of housing, and con-  
21 cerned with housing economics and other housing market  
22 data. Such program may be concerned with improved and  
23 standardized building codes and regulations and methods for  
24 the more uniform administration thereof, standardized dimen-  
25 sions and methods for the assembly of home-building mate-

1 rials and equipment, improved residential design and con-  
2 struction, new and improved types of housing components,  
3 building materials and equipment, and methods of produc-  
4 tion, distribution, assembly, and construction, and sound  
5 techniques for the testing thereof and for the determination of  
6 adequate performance standards, and may relate to appraisal,  
7 credit, and other housing market data, housing needs, demand  
8 and supply, finance and investment, land costs, use and im-  
9 provement, site planning and utilities, zoning and other  
10 laws, codes and regulations as they apply to housing, other  
11 factors affecting the cost of housing, and related technical  
12 and economic research. Contracts may be made by the  
13 Administrator for technical research and studies authorized  
14 by this subsection for work to continue not more than four  
15 years from the date of any such contract. Notwithstanding  
16 the provisions of section 5 of the Act of June 20, 1874, as  
17 amended (31 U. S. C. 713), any unexpended balances of  
18 appropriations properly obligated by contracting with an  
19 organization as provided in this subsection may remain upon  
20 the books of the Treasury for not more than five fiscal years  
21 before being carried to the surplus fund and covered into  
22 the Treasury. All contracts made by the Administrator for  
23 technical research and studies authorized by this or any other



1 Act shall contain requirements making the results of such  
2 research or studies available to the public through dedi-  
3 cation, assignment to the Government, or such other means  
4 as the Administrator shall determine. The Administrator  
5 shall disseminate, and without regard to the provisions of 39  
6 United States Code 321b, the results of such research and  
7 studies in such form as may be most useful to industry and  
8 to the general public.

9 “(b) Prepare and submit to the President and to the  
10 Congress estimates of national urban and rural nonfarm  
11 housing needs and reports with respect to the progress  
12 being made toward meeting such needs, and correlate and  
13 recommend proposals for such executive action or legis-  
14 lation as may be necessary or desirable for the furtherance of  
15 the national housing objective and policy established by this  
16 Act, with respect to urban and rural nonfarm housing, to-  
17 gether with such other reports or information as may be  
18 required of the Administrator by the President or the  
19 Congress.

20 “(c) Encourage localities to make studies of their own  
21 housing needs and markets, along with surveys and plans  
22 for housing, urban land use and related community develop-  
23 ment, and provide, where requested and needed by the

1 localities, technical advice and guidance in the making of  
2 such studies, surveys, and plans.

3       “SEC. 302. In carrying out research and studies under  
4 this title, the Administrator shall utilize, to the fullest extent  
5 feasible, the available facilities of other departments, inde-  
6 pendent establishments, and agencies of the Federal Govern-  
7 ment, and shall consult with, and make recommendations to,  
8 such departments, independent establishments, and agencies  
9 with respect to such action as may be necessary and desirable  
10 to overcome existing gaps and deficiencies in available hous-  
11 ing data or in the facilities available for the collection  
12 of such data. The Administrator is further authorized, for  
13 the purposes of this title, to undertake research and studies  
14 cooperatively with industry and labor, and with agen-  
15 cies of State or local governments, and educational institu-  
16 tions and other nonprofit organizations. For the purpose  
17 of entering into contracts with any State or local public  
18 agency or instrumentality, or educational institution or other  
19 nonprofit agency or organization, in carrying out any research  
20 or studies authorized by this title, the Administrator may  
21 exercise any of the powers vested in him by section 502 (c)  
22 of the Housing Act of 1948.

23       “SEC. 303. There are hereby authorized to be appro-  
24 priated such sums as may be necessary to carry out the pur-  
25 poses of this title.”

## TITLE IV—FARM HOUSING

## FINANCIAL ASSISTANCE BY THE SECRETARY OF

## AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (herein-  
after referred to as the "Secretary") is authorized, subject  
to the terms and conditions of this title, to extend financial  
assistance, through the Farmers Home Administration, to  
owners of farms in the United States and in the Territories  
of Alaska and Hawaii and in Puerto Rico and the Virgin  
Islands, to enable them to construct, improve, alter, repair,  
or replace dwellings and other farm buildings on their farms  
to provide them, their tenants, lessees, sharecroppers, and  
laborers with decent, safe, and sanitary living conditions  
and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm"  
shall mean a parcel or parcels of land operated as a single  
unit which is used for the production of one or more agri-  
cultural commodities and which customarily produces or  
is capable of producing such commodities for sale and for  
home use of a gross annual value of not less than the  
equivalent of a gross annual value of \$400 in 1944, as  
determined by the Secretary. The Secretary shall promptly  
determine whether any parcel or parcels of land constitute  
a farm for the purposes of this title whenever requested to



1 do so by any interested Federal, State, or local public agency,  
2 and his determination shall be conclusive.

3 (c) In order to be eligible for the assistance authorized  
4 by paragraph (a), the applicant must show (1) that he is  
5 the owner of a farm which is without a decent, safe, and  
6 sanitary dwelling for himself and his family and necessary  
7 resident farm labor, or for the family of the operating  
8 tenant, lessee, or sharecropper, or without other farm build-  
9 ings adequate for the type of farming in which he engages  
10 or desires to engage; (2) that he is without sufficient re-  
11 sources to provide the necessary housing and buildings on  
12 his own account; and (3) that he is unable to secure the  
13 credit necessary for such housing and buildings from other  
14 sources upon terms and conditions which he could reason-  
15 ably be expected to fulfill.

16 LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE

17 FARMS

18 SEC. 402. (a) If the Secretary determines that an  
19 applicant is eligible for assistance as provided in section  
20 401 and that the applicant has the ability to repay in  
21 full the sum to be loaned, with interest, giving due con-  
22 sideration to the income and earning capacity of the appli-  
23 cant and his family from the farm and other sources, and  
24 the maintenance of a reasonable standard of living for the  
25 owner and the occupants of said farm, a loan may be made

1 by the Secretary to said applicant for a period of not to  
2 exceed thirty-three years from the making of the loan with  
3 interest at a rate not to exceed 4 per centum per annum  
4 on the unpaid balance of principal.

5 (b) The instruments under which the loan is made  
6 and the security given shall—

7 (1) provide for security upon the applicant's equity  
8 in the farm and such additional security or collateral,  
9 if any, as may be found necessary by the Secretary  
10 reasonably to assure repayment of the indebtedness;

11 (2) provide for the repayment of principal and  
12 interest in accordance with schedules and repayment  
13 plans prescribed by the Secretary;

14 (3) contain the agreement of the borrower that he  
15 will, at the request of the Secretary, proceed with dili-  
16 gence to refinance the balance of the indebtedness  
17 through cooperative or other responsible private credit  
18 sources whenever the Secretary determines, in the light  
19 of the borrower's circumstances, including his earning  
20 capacity and the income from the farm, that he is able  
21 to do so upon reasonable terms and conditions;

22 (4) be in such form and contain such covenants  
23 as the Secretary shall prescribe to secure the payment  
24 of the loan with interest, protect the security, and assure

1       that the farm will be maintained in repair and that waste  
2       and exhaustion of the farm will be prevented.

3       LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY  
4                                   ADEQUATE FARMS

5       SEC. 403. If the Secretary determines (a) that, because  
6       of the inadequacy of the income of an eligible applicant from  
7       the farm to be improved and from other sources, said ap-  
8       plicant may not reasonably be expected to make annual  
9       repayments of principal and interest in an amount sufficient  
10      to repay the loan in full within the period of time prescribed  
11      by the Secretary as authorized in this title; (b) that the  
12      income of the applicant may be sufficiently increased within  
13      a period of not to exceed ten years by improvement or en-  
14      largement of the farm or an adjustment of the farm practices  
15      or methods; and (c) that the applicant has adopted and may  
16      reasonably be expected to put into effect a plan of farm  
17      improvement, enlargement, or adjusted practices which, in  
18      the opinion of the Secretary, will increase the applicant's  
19      income from said farm within a period of not to exceed ten  
20      years to the extent that the applicant may be expected there-  
21      after to make annual repayments of principal and interest  
22      sufficient to repay the balance of the indebtedness less pay-  
23      ments in cash and credits for the contributions to be made  
24      by the Secretary as hereinafter provided, the Secretary may  
25      make a loan in an amount necessary to provide adequate



1 farm dwellings and buildings on said farm under the terms  
2 and conditions prescribed in section 402. In addition, the  
3 Secretary may agree with the borrower to make annual  
4 contributions during the said ten-year period in the form of  
5 credits on the borrower's indebtedness in an amount not to  
6 exceed the annual installment of interest and 50 per centum  
7 of the principal payments accruing during any installment  
8 year up to and including the tenth installment year, subject  
9 to the conditions that the borrower's income is, in fact,  
10 insufficient to enable the borrower to make payments in  
11 accordance with the plan or schedule prescribed by the  
12 Secretary and that the borrower pursues his plan of farm  
13 reorganization and improvements or enlargement with due  
14 diligence.

15 This agreement with respect to credits of principal and  
16 interest upon the borrower's indebtedness shall not be assign-  
17 able nor accrue to the benefit of any third party without the  
18 written consent of the Secretary and the Secretary shall have  
19 the right, at his option, to cancel the agreement upon the  
20 sale of the farm or the execution or creation of any lien there-  
21 on subsequent to the lien given to the Secretary, or to refuse  
22 to release the lien given to the Secretary except upon pay-  
23 ment in cash of the entire original principal plus accrued  
24 interest thereon less actual cash payments of principal and  
25 interest when the Secretary determines that the release of the

1   lien would permit the benefits of this section to accrue to a  
2   person not eligible to receive such benefits.

3           OTHER SPECIAL LOANS AND GRANTS FOR MINOR

4           IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

5           SEC. 404. In the event the Secretary determines that an  
6   eligible applicant cannot qualify for a loan under the pro-  
7   visions of sections 402 and 403 and that repairs or improve-  
8   ments should be made to a farm dwelling occupied by him,  
9   or his tenants, lessees, sharecroppers, or laborers, in order to  
10   make such dwelling safe and sanitary and remove hazards to  
11   the health of the occupant, his family, or the community, and  
12   that repairs should be made to farm buildings in order to  
13   remove hazards and make such buildings safe, the Secretary  
14   may make a grant or a combined loan and grant, to the  
15   applicant to cover the cost of improvements or additions,  
16   such as repairing roofs, providing toilet facilities, providing  
17   a convenient and sanitary water supply, supplying screens,  
18   repairing or providing structural supports, or making other  
19   similar repairs or improvements. No assistance shall be ex-  
20   tended to any one individual under the provisions of this  
21   section in the form of a loan or grant or combination thereof  
22   in excess of \$1,000 for any one farm or dwelling or building  
23   owned by such individual, or in excess of \$2,000 in the  
24   aggregate to any one such individual, and the grant portion  
25   with respect to any one farm or dwelling or building shall

1 not exceed \$500. Any portion of the sums advanced to the  
2 borrower treated as a loan shall be secured and be repayable  
3 in accordance with the principles and conditions set forth in  
4 this title. Sums made available by grant may be made sub-  
5 ject to the conditions set out in this title for the protection of  
6 the Government with respect to contributions made on loans  
7 by the Secretary. In the case of such loan or grant with  
8 respect to a farm not occupied by the owner of the land,  
9 the Secretary may, as a condition precedent to the grant,  
10 require that the landowner enter into such stipulations and  
11 agreements with the Secretary and the occupants of the farm  
12 as will make it possible for the occupant to obtain the full  
13 benefits of the grant.

14 MORATORIUM ON PAYMENTS UNDER LOANS

15 SEC. 405. During any time that any such loan is out-  
16 standing, the Secretary is authorized under regulations to be  
17 prescribed by him to grant a moratorium upon the payment  
18 of interest and principal on such loan for so long a period  
19 as he deems necessary, upon a showing by the borrower that  
20 due to circumstances beyond his control, he is unable to con-  
21 tinue making payments of such principal and interest when  
22 due without unduly impairing his standard of living. In  
23 cases of extreme hardship under the foregoing circumstances,  
24 the Secretary is further authorized to cancel interest due and  
25 payable on such loans during the moratorium. Should any



1 foreclosure of such a mortgage securing such a loan upon  
2 which a moratorium has been granted occur, no deficiency  
3 judgment shall be taken against the mortgagor if he shall have  
4 faithfully tried to meet his obligation.

5 TECHNICAL SERVICES AND RESEARCH

6 SEC. 406. (a) In connection with financial assistance  
7 authorized in sections 401 to 404, inclusive, the Secretary  
8 shall require that all new buildings and repairs financed  
9 under this title shall be substantially constructed and in  
10 accordance with such building plans and specifications as  
11 may be required by the Secretary. Buildings and repairs  
12 constructed with funds advanced pursuant to this title shall  
13 be supervised and inspected, as may be required by the Sec-  
14 retary, by competent employees of the Secretary. In addition  
15 to the financial assistance authorized in sections 401 to 404,  
16 inclusive, the Secretary is authorized to furnish, through  
17 such agencies as he may determine, to any person, including  
18 a person eligible for financial assistance under this title,  
19 without charge or at such charges as the Secretary may deter-  
20 mine, technical services such as building plans, specifications,  
21 construction supervision and inspection, and advice and  
22 information regarding farm dwellings and other buildings.  
23 The Secretary is further authorized to conduct research and  
24 technical studies including the development, demonstration,  
25 and promotion of construction of adequate farm dwellings

1 and other buildings for the purposes of stimulating con-  
2 struction, improving the architectural design and utility  
3 of such dwellings and buildings, utilizing new and native  
4 materials, economies in materials and construction methods,  
5 new methods of production, distribution, assembly, and con-  
6 struction, with a view to reducing the cost of farm dwellings  
7 and buildings and adapting and developing fixtures and  
8 appurtenances for more efficient and economical farm use.

9 (b) The Secretary of Agriculture shall prepare and  
10 submit to the President and to the Congress estimates of  
11 national farm housing needs and reports with respect to the  
12 progress being made toward meeting such needs, and corre-  
13 late and recommend proposals for such executive action or  
14 legislation necessary or desirable for the furtherance of the  
15 national housing objective and policy established by this Act  
16 with respect to farm housing, together with such other reports  
17 or information as may be required of the Secretary by the  
18 President or the Congress.

19 PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED  
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21 SEC. 407. As between eligible applicants seeking assist-  
22 ance under this title, the Secretary shall give preference to  
23 veterans and the families of deceased servicemen. As used  
24 herein, a "veteran" shall be a person who served in the land  
25 or naval forces of the United States during any war between

1 the United States and any other nation and who shall have  
2 been discharged or released therefrom on conditions other  
3 than dishonorable. "Deceased servicemen" shall mean men  
4 or women who served in the land or naval forces of the  
5 United States during any war between the United States  
6 and any other nation and who died in service before the  
7 termination of such war.

8 LOCAL COMMITTEES TO ASSIST SECRETARY

9 SEC. 408. (a) For the purposes of this subsection and  
10 subsection (b) of this section, the Secretary may use the  
11 services of any existing committee of farmers operating (pur-  
12 suant to laws or regulations carried out by the Department of  
13 Agriculture) in any county or parish in which activities are  
14 carried on under this title. In any county or parish in  
15 which activities are carried on under this title and in which  
16 no existing satisfactory committee is available, the Secretary  
17 is authorized to appoint a committee composed of three per-  
18 sons residing in the county or parish. Each member of  
19 such existing or newly appointed committee shall be allowed  
20 compensation at the rate of \$5 per day while engaged in the  
21 performance of duties under this title and, in addition, shall  
22 be allowed such amounts as the Secretary may prescribe for  
23 necessary traveling and subsistence expenses. One member  
24 of the committee shall be designated by the Secretary as  
25 chairman. The Secretary shall prescribe rules governing



1 the procedures of the committees, furnish forms and equip-  
2 ment necessary for the performance of their duties, and  
3 authorize and provide for the compensation of such clerical  
4 assistance as he deems may be required by any committee.

5 (b) The committees utilized or appointed pursuant to  
6 this section shall examine applications of persons desiring  
7 to obtain the benefits of this title and shall submit recom-  
8 mendations to the Secretary with respect to each applicant  
9 as to whether the applicant is eligible to receive the benefits  
10 of this title, whether by reason of his character, ability, and  
11 experience, he is likely successfully to carry out undertakings  
12 required of him under a loan or grant under this title,  
13 and whether the farm with respect to which the application is  
14 made is of such character that there is a reasonable likeli-  
15 hood that the making of the loan or grant requested will  
16 carry out the purposes of this title. The committees shall  
17 also certify to the Secretary their opinions of the reasonable  
18 values of the farms. The committees shall, in addition, per-  
19 form such other duties under this title as the Secretary may  
20 require.

#### 21 GENERAL POWERS OF SECRETARY

22 SEC. 409. (a) The Secretary, for the purposes of this  
23 title, shall have the power to determine and prescribe the  
24 standards of adequate farm housing and other buildings, by  
25 farms or localities, taking into consideration, among other

1 factors, the type of housing which will provide decent, safe,  
2 and sanitary dwelling for the needs of the family using the  
3 housing, the type and character of the farming operations  
4 to be conducted, and the size and earning capacity of the  
5 land.

6 (b) The Secretary may require any recipient of a loan  
7 or grant to agree that the availability of improvements con-  
8 structed or repaired with the proceeds of the loan or grant  
9 under this title shall not be a justification for directly or  
10 indirectly changing the terms or conditions of the lease or  
11 occupancy agreement with the occupants of such farms to  
12 the latter's disadvantage without the approval of the Sec-  
13 retary.

14 ADMINISTRATIVE PROVISIONS

15 SEC. 410. In carrying out the provisions of this title, the  
16 Secretary shall have the power to—

17 (a) make contracts for services and supplies with-  
18 out regard to the provisions of section 3709 of the  
19 Revised Statutes, as amended, when the aggregate  
20 amount involved is less than \$300;

21 (b) enter into subordination, subrogation, or other  
22 agreements satisfactory to the Secretary;

23 (c) compromise claims and obligations arising out  
24 of sections 402 to 405, inclusive, of this title and adjust  
25 and modify the terms of mortgages, leases, contracts,

1 and agreements entered into as circumstances may re-  
2 quire, including the release from personal liability, with-  
3 out payments of further consideration, of—

4 (1) borrowers who have transferred their farms  
5 to other approved applicants for loans who have  
6 agreed to assume the outstanding indebtedness to  
7 the Secretary under this title; and

8 (2) borrowers who have transferred their  
9 farms to other approved applicants for loans who  
10 have agreed to assume that portion of the outstand-  
11 ing indebtedness to the Secretary under this title  
12 which is equal to the earning capacity value of the  
13 farm at the time of the transfer, and borrowers  
14 whose farms have been acquired by the Secretary,  
15 in cases where the Secretary determines that the  
16 original borrowers have cooperated in good faith  
17 with the Secretary, have farmed in a workman-  
18 like manner, used due diligence to maintain the  
19 security against loss, and otherwise fulfilled the  
20 covenants incident to their loans, to the best of  
21 their abilities;

22 (d) collect all claims and obligations arising out of  
23 or, under any mortgage, lease, contract, or agreement  
24 entered into pursuant to this title and, if in his judgment  
25 necessary and advisable, to pursue the same to final



1 collection in any court having jurisdiction: *Provided*,  
2 That the prosecution and defense of all litigation under  
3 this title shall be conducted under the supervision of the  
4 Attorney General and the legal representation shall be  
5 by the United States attorneys for the districts, respec-  
6 tively, in which such litigation may arise and by such  
7 other attorney or attorneys as may, under law, be  
8 designated by the Attorney General;

9 (e) bid for and purchase at any foreclosure or other  
10 sale or otherwise to acquire the property pledged or  
11 mortgaged to secure a loan or other indebtedness owing  
12 under this title, to accept title to any property so pur-  
13 chased or acquired, to operate or lease such property  
14 for such period as may be necessary or advisable, to pro-  
15 tect the interest of the United States therein and to  
16 sell or otherwise dispose of the property so purchased  
17 or acquired by such terms and for such considerations  
18 as the Secretary shall determine to be reasonable and  
19 to make loans as provided herein to provide adequate  
20 farm dwellings and buildings for the purchasers of such  
21 property;

22 (f) utilize with respect to the indebtedness arising  
23 from loans and payments made under this title, all the  
24 powers and authorities given to him under the Act  
25 approved December 20, 1944, entitled "An Act to

1 authorize the Secretary of Agriculture to compromise,  
2 adjust, or cancel certain indebtedness, and for other  
3 purposes" (58 Stat. 836), as such Act now provides or  
4 may hereafter be amended;

5 (g) make such rules and regulations as he deems  
6 necessary to carry out the purposes of this title.

#### 7 LOAN FUNDS

8 SEC. 411. The Secretary may issue notes and other ob-  
9 ligations for purchase by the Secretary of the Treasury in  
10 such sums as the Congress may from time to time determine  
11 to make loans under this title not in excess of \$25,000,000  
12 on and after July 1, 1949, an additional \$50,000,000 on  
13 and after July 1, 1950, an additional \$75,000,000 on and  
14 after July 1, 1951, and an additional \$100,000,000 on and  
15 after July 1, 1952. The notes and obligations issued by the  
16 Secretary shall be secured by the obligations of borrowers and  
17 the Secretary's commitments to make contributions under this  
18 title and shall be repaid from the payment of principal and  
19 interest on the obligations of the borrowers and from funds  
20 appropriated hereunder. The notes and other obligations  
21 issued by the Secretary shall be in such forms and denomi-  
22 nations, shall have such maturities, and shall be subject to  
23 such terms and conditions as may be prescribed by the Secre-  
24 tary with the approval of the Secretary of the Treasury.  
25 Such notes or obligations shall bear interest at a rate de-

1 terminated by the Secretary of the Treasury, taking into  
2 consideration the current average rate on outstanding mar-  
3 ketable obligations of the United States as of the last day  
4 of the month preceding the issuance of the notes or obliga-  
5 tions by the Secretary. The Secretary of the Treasury is  
6 authorized and directed to purchase any notes and other  
7 obligations of the Secretary issued hereunder and for such  
8 purpose is authorized to use as a public debt transaction the  
9 proceeds from the sale of any securities issued under the  
10 Second Liberty Bond Act, as amended, and the purposes  
11 for which securities may be issued under such Act are ex-  
12 tended to include any purchases of such obligations. The Sec-  
13 retary of the Treasury may at any time sell any of the notes  
14 or obligations acquired by him under this section. All re-  
15 demptions, purchases, and sales by the Secretary of the Treas-  
16 ury of such notes or obligations shall be treated as public debt  
17 transactions of the United States.

18

#### CONTRIBUTIONS

19

20 SEC. 412. In connection with loans made pursuant to  
21 section 403, the Secretary is authorized, on and after July  
22 1, 1949, to make commitments for contributions aggregating  
23 not to exceed \$500,000 per annum and to make additional  
24 commitments, on and after July 1 of each of the years 1950,  
1951, and 1952, respectively, which shall require addi-



1 tional contributions aggregating not more than \$1,000,000,  
2 \$1,500,000, and \$2,000,000 per annum, respectively.

3 SEC. 413. There is hereby authorized to be appropriated  
4 to the Secretary (a) such sums as may be necessary to  
5 meet payments on notes or other obligations issued by the  
6 Secretary under section 411 equal to (i) the aggregate of the  
7 contributions made by the Secretary in the form of credits  
8 on principal due on loans made pursuant to section 403, and  
9 (ii) the interest due on a similar sum represented by notes  
10 or other obligations issued by the Secretary; (b) an addi-  
11 tional \$1,000,000 for grants pursuant to section 404 on and  
12 after July 1, 1949, which amount shall be increased by fur-  
13 ther amounts of \$2,500,000, \$4,000,000, and \$5,000,000  
14 on July 1 of each of the years 1950, 1951, and 1952, re-  
15 spectively; and (c) such further sums as may be necessary  
16 to enable the Secretary to carry out the provisions of this title.

## 17 TITLE V—MISCELLANEOUS PROVISIONS

### 18 ADVISORY COMMITTEES

19 SEC. 501. The Housing and Home Finance Adminis-  
20 trator may appoint such advisory committee or committees  
21 as he may deem necessary in carrying out his functions,  
22 powers, and duties, under this or any other Act. Service as  
23 a member of any such committee shall not constitute any

1 form of service or employment within the provisions of  
2 sections 281, 283, or 284 of title 18 United States Code.

3 AMENDMENTS OF NATIONAL BANKING ACT

4 SEC. 502. (a) The last sentence of paragraph Seventh of  
5 section 5136 of the Revised Statutes, as amended, is amended  
6 by inserting before the colon, after the words "obligations  
7 of national mortgage associations", a comma and the follow-  
8 ing: "or such obligations of any local public agency (as  
9 defined in section 110 (h) of the Housing Act of 1949) as  
10 are secured by an agreement between the local public agency  
11 and the Housing and Home Finance Administrator in which  
12 the local public agency agrees to borrow from said Adminis-  
13 trator, and said Administrator agrees to lend to said local  
14 public agency, prior to the maturity of such obligations (which  
15 obligations shall have a maturity of not more than 18 months),  
16 monies in an amount which (together with any other monies  
17 irrevocably committed to the payment of interest on such  
18 obligations) will suffice to pay the principal of such obliga-  
19 tions with interest to maturity thereon, which monies under  
20 the terms of said agreement are required to be used for the  
21 purpose of paying the principal of and the interest on such  
22 obligations at their maturity, or such obligations of a public  
23 housing agency (as defined in the United States Housing

1 Act of 1937, as amended) as are secured either (1) by an  
2 agreement between the public housing agency and the Public  
3 Housing Administration in which the public housing agency  
4 agrees to borrow from the Public Housing Administration,  
5 and the Public Housing Administration agrees to lend to the  
6 public housing agency, prior to the maturity of such obliga-  
7 tions (which obligations shall have a maturity of not more  
8 than 18 months), monies in an amount which (together with  
9 any other monies irrevocably committed to the payment of in-  
10 terest on such obligations) will suffice to pay the principal  
11 of such obligations with interest to maturity thereon, which  
12 monies under the terms of said agreement are required to be  
13 used for the purpose of paying the principal of and the in-  
14 terest on such obligations at their maturity, or (2) by a  
15 pledge of annual contributions under an annual contributions  
16 contract between such public housing agency and the Public  
17 Housing Administration if such contract shall contain the  
18 covenant by the Public Housing Administration which is  
19 authorized by subsection (b) of section 22 of the United  
20 States Housing Act of 1937, as amended, and if the maxi-  
21 mum sum and the maximum period specified in such con-  
22 tract pursuant to said subsection 22 (b) shall not be less  
23 than the annual amount and the period for payment which



1 are requisite to provide for the payment when due of all in-  
2 stallments of principal and interest on such obligations”.

3 (b) Section 5200 of the Revised Statutes, as amended,  
4 is amended by adding at the end thereof the following:

5 “(11) Obligations of a local public agency (as  
6 defined in section 110 (h) of the Housing Act of 1949)  
7 or of a public housing agency (as defined in the United  
8 States Housing Act of 1937, as amended) which have  
9 a maturity of not more than eighteen months shall not  
10 be subject under this section to any limitation, if such  
11 obligations are secured by an agreement between the  
12 obligor agency and the Housing and Home Finance  
13 Administrator or the Public Housing Administration in  
14 which the agency agrees to borrow from the Admin-  
15 istrator or Administration, and the Administrator or  
16 Administration agrees to lend to the agency, prior to the  
17 maturity of such obligations, moneys in an amount which  
18 (together with any other moneys irrevocably committed  
19 to the payment of interest on such obligations) will suf-  
20 fice to pay the principal of such obligations with interest  
21 to maturity, which moneys under the terms of said  
22 agreement are required to be used for that purpose.”.

23 NATIONAL HOUSING COUNCIL

24 SEC. 503. The Secretary of Labor or his designee, and  
25 the Federal Security Administrator or his designee, shall

1 hereafter be included in the membership of the National  
2 Housing Council in the Housing and Home Finance Agency.

3 AMENDMENTS OF THE GOVERNMENT CORPORATIONS  
4 APPROPRIATION ACT, 1948, AND THE GOVERNMENT  
5 CORPORATIONS APPROPRIATION ACT, 1949

6 SEC. 504. (a) The second proviso in the paragraph  
7 under the heading "Federal Public Housing Authority" in  
8 title I of the Government Corporations Appropriation Act,  
9 1948, is hereby repealed as of July 1, 1947.

10 (b) The second proviso in the paragraph under the  
11 heading "Public Housing Administration" in title I of the  
12 Government Corporations Appropriation Act, 1949, is here-  
13 by repealed as of July 1, 1948.

14 (c) The first proviso in the paragraph under the sub-  
15 heading "Public Housing Administration" in title II of the  
16 Government Corporations Appropriation Act, 1949, is  
17 hereby repealed.

18 DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

19 SEC. 505. The Housing and Home Finance Adminis-  
20 trator shall appoint a Deputy Housing and Home Finance  
21 Administrator, and the basic rate of compensation of such  
22 position shall be the same as the basic rate of compensation  
23 established for the heads of the constituent agencies of the  
24 Housing and Home Finance Agency. The Deputy Admin-  
25 istrator shall act as Administrator during the absence or

1 disability of the Administrator or in the event of a vacancy  
2 in that office, and shall perform such other duties as the  
3 Administrator shall direct.

4 CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING  
5 PROJECTS

6 SEC. 506. Any low-rent or veterans' housing project  
7 undertaken or constructed under a program of a State or  
8 any political subdivision thereof shall be approved as a low-  
9 rent housing project under the terms of the United States  
10 Housing Act of 1937, as amended, if (a) a contract for  
11 State financial assistance for such project was entered into  
12 on or after January 1, 1948, and prior to January 1, 1950,  
13 (b) the project is or can become eligible for assistance by  
14 the Public Housing Administration in the form of loans  
15 and annual contributions under the provisions of the United  
16 States Housing Act of 1937, as amended, and (c) the State  
17 or the public housing agency operating the project in the  
18 State makes application to the Public Housing Administra-  
19 tion for Federal assistance for the project under the terms  
20 of the United States Housing Act of 1937, as amended:  
21 *Provided*, That loans made by the Public Housing Admin-  
22 istration for the purpose of so converting the project to a  
23 project with Federal assistance shall be deemed, for the  
24 purposes of the provisions of section 9 and other sections of  
25 the United States Housing Act of 1937, to be loans to assist



1 the development of the project. Section 503 of the Housing  
2 Act of 1948 is hereby repealed.

### 3 CENSUS OF HOUSING

4 SEC. 507. (a) The Director of the Census is author-  
5 ized and directed to take a census of housing in each State,  
6 the District of Columbia, Hawaii, Puerto Rico, the Virgin  
7 Islands, and Alaska, in the year 1950 and decennially  
8 thereafter in conjunction with, at the same time, and as a  
9 part of the population inquiry of the decennial census in  
10 order to provide information concerning the number, char-  
11 acteristics (including utilities and equipment), and geo-  
12 graphical distribution of dwelling units in the United States.  
13 The Director of the Census is authorized to collect such sup-  
14 plementary statistics (either in advance of or after the taking  
15 of such census) as are necessary to the completion thereof.

16 (b) All of the provisions, including penalties, of the  
17 Act providing for the fifteenth and subsequent decennial  
18 censuses, approved June 18, 1929, as amended (U. S. C.,  
19 title 13, ch. 4), shall apply to the taking of the census  
20 provided for in subsection (a) of this section.

### 21 ACT CONTROLLING

22 SEC. 508. Insofar as the provisions of any other law  
23 are inconsistent with the provisions of this Act, the provisions  
24 of this Act shall be controlling.

## SEPARABILITY

1  
2 SEC. 509. Except as may be otherwise expressly pro-  
3 vided in this Act, all powers and authorities conferred by this  
4 Act shall be cumulative and additional to and not in deroga-  
5 tion of any powers and authorities otherwise existing. Not-  
6 withstanding any other evidences of the intention of  
7 Congress, it is hereby declared to be the controlling intent  
8 of Congress that if any provisions of this Act, or the applica-  
9 tion thereof to any persons or circumstances, shall be ad-  
10 judged by any court of competent jurisdiction to be invalid,  
11 such judgment shall not affect, impair, or invalidate the re-  
12 mainder of this Act or its applications to other persons and  
13 circumstances, but shall be confined in its operation to the  
14 provisions of this Act or the application thereof to the per-  
15 sons and circumstances directly involved in the controversy  
16 in which such judgment shall have been rendered.





81ST CONGRESS  
1ST Session

S. 1070

[Report No. 84]

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## A BILL

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To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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By Mr. ELLENDER, Mr. MAYBANK, Mr. WAGNER, Mr. SPARKMAN, Mr. MYERS, Mr. HILL, Mr. PEPPER, Mr. LONG, Mr. TAYLOR, Mr. DOUGLAS, Mr. FREAR, Mr. FLANDERS, Mr. TOBEY, Mr. TAFT, Mr. AIKEN, Mr. MORSE, Mr. LODGE, Mr. YOUNG, Mr. BALDWIN, Mr. IVES, Mr. THYE, and Mrs. SMITH of Maine

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FEBRUARY 25 (legislative day, FEBRUARY 21), 1949

Read twice and referred to the Committee on Banking and Currency

FEBRUARY 25 (legislative day, FEBRUARY 21), 1949

Reported without amendment







## HOUSING ACT OF 1949

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MARCH 11 (legislative day, FEBRUARY 21), 1949.—Ordered to be printed

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Mr. MAYBANK, from the Committee on Banking and Currency,  
submitted the following

## SUPPLEMENTAL REPORT

[To accompany S. 1070]

## SECTION BY SECTION SUMMARY OF S. 1070

## SECTION 1.—SHORT TITLE

This section provides a short and convenient form of citation.

## SECTION 2.—DECLARATION OF NATIONAL HOUSING POLICY

This section sets forth the national housing objectives as established by the Congress and the basic principles to be followed in attaining these objectives. In so doing it stresses the Nation's interest in housing production and related community development because of the basic contribution they can make both (1) toward improving the health and living standards of the people and (2) toward an economy of maximum employment, production, and purchasing power. Thus, the section establishes as specific objectives a volume of housing production and related community development sufficient to remedy the serious housing shortage, to eliminate slum and blighted areas, to realize as soon as feasible the goal of a decent home and a suitable living environment for every American family, to redevelop communities so as to advance the growth and wealth of the Nation, and to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power.

The keystone of the national housing policy established by the Congress in this section to facilitate the attainment of these objectives is that private enterprise shall be encouraged to serve as large a part of the total need as it can, and that governmental assistance shall be utilized where feasible to enable private enterprise to serve still more of the total need, and that appropriate local public bodies shall be encouraged and assisted to undertake positive programs of assisting

the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life. As a complementary policy, the section states that governmental aid to clear slums and provide adequate housing for urban and rural nonfarm families whose incomes are so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met by reliance solely upon private enterprise, and without such aid, and that governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended only where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

To assure that all housing activities of the Federal Government will be administered in accord with the objectives and policies thus established by the Congress, there is included a specific congressional directive to the administrative agencies which have functions, powers, and duties with respect to housing to so exercise them as to encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### GENERAL SUMMARY

This title provides for Federal aid to local communities for the clearance of their slums and blighted areas, so as to make such areas and other areas needed for residential construction available for development or redevelopment, with the active participation of private enterprise. Two types of assistance are authorized:

1. Loans, both temporary and long-term (but not in excess of 40 years in the case of long-term definitive loans), where needed to finance necessary project costs, at an interest rate designed to return to the Government the cost to it of the funds it obtains to make the loans; and

2. A capital-grant subsidy where necessary to enable the land in the project areas to be made available for use at prices consistent with proper and sound land use and planning.

The administration of the program would be under the jurisdiction of the Housing and Home Finance Administrator. In the administration of the program adherence to the following principles is required:

1. That any project assisted be related to the improvement of housing conditions in the locality.

2. That every project assisted be a local undertaking, locally planned, locally approved, locally managed, and designed to serve local needs.

3. That the redevelopment plans for the redevelopment areas in the locality afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise.

4. That there shall be local financial participation in an amount equal to at least one-third of the difference between the aggregate costs of all projects of the locality and the new reuse values of the land comprising the project areas.

5. That there be adequate provision for the rehousing of the families displaced by the clearance of the area.

#### SECTION 101. RESPONSIBILITIES

This section provides that in extending financial assistance under this title, the Housing and Home Finance Administrator shall give consideration to the extent to which the locality has undertaken positive programs for (1) encouraging housing cost reductions and efficiency in construction through the adoption and improvement of building and related codes, and (2) preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations. It also requires the Administrator, in extending financial assistance under this title, to encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis, or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

#### SECTION 102. LOANS

This section, together with section 103, sets forth the forms and extent of Federal financial assistance. Section 102 provides for assistance in the form of loans which (whether temporary or definitive) must bear interest at not less than the rate specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more at the date the contract for the loan is made. Any long-term definitive loans made pursuant to this title must mature within a period not exceeding 40 years from the date of the bonds evidencing such loans.

In connection with any project on land which is open or predominantly open, temporary loans may be made (pursuant to subsection (b) of section 102) to municipalities or other public bodies for the provision of school and other public buildings or facilities necessary to serve or support the new uses of land in the project area. This is necessary, particularly in the case of outlying projects which can facilitate the clearance of central slum areas, where difficulties may arise due to the lack of certain public facilities, especially schools.



For example, the school district for such an outlying area might not have a tax base sufficient to permit the issuance of bonds for building a new school until the project area is actually developed. In such a case, a temporary loan could be made to the school district itself, or alternatively a loan could be made to the local public agency undertaking the project so that this agency could construct the school and lease it to the school district pending the ability of the district to take the building over through the issuance of its own bonds. Such temporary loans must be repaid in not to exceed 10 years.

While providing for Federal assistance in the form of loans where necessary, the section also contains provisions to facilitate financing by private capital. It contains a provision to enable the local public agency to obtain loan funds from sources other than the Federal Government to the fullest extent practicable, and to substitute such funds for borrowing from the Government.

The section also provides that the Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and that the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

To provide the funds necessary to make the loans, the Administrator is authorized, with the approval of the President, to issue and have outstanding at any one time notes or other obligations for purchase by the Secretary of the Treasury aggregating not more than \$1,000,000,000. This loan authorization becomes available over a 5-year period at the following rate: \$25,000,000 on and after July 1, 1949, increased by \$225,000,000 on and after July 1, 1950, and by \$250,000,000 on and after July 1 in each of the years 1951, 1952, and 1953, respectively.

The section also permits the increases in the loan authorization becoming available in any year to be increased (subject to the total loan authorization of \$1,000,000,000), at any time or times, by not to exceed an additional \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

#### SECTION 103. CAPITAL GRANTS

This section provides for Federal subsidy, in the form of capital grants, in those cases where such assistance is necessary if the land in the project area is to be available for proper use in accordance with an approved plan for the project area and at prices consistent with such use. The capital grants would be limited in amount to two-thirds of the net cost of the projects assisted in the locality. This has the effect of providing that the net loss or write-down involved in making the land in project areas available for appropriate redevelopment (i. e., the difference between the total costs of the projects and the proceeds received from the disposition of the land) will be shared on a 2 to 1 basis, the Federal capital grants being

available for not to exceed two-thirds of such loss and the local grants-in-aid being available for at least one-third of such loss.

The Federal capital grants with respect to all projects of a local public agency on which contracts for capital grants have been made under this title cannot exceed two-thirds of the net loss on such projects. With respect to any individual project, the Federal capital grant cannot exceed the difference between the net loss on such project and the local grants-in-aid actually made with respect to that project. Thus, if a project cost \$1,000,000 (including \$150,000 in site improvements and public facilities paid for by the municipality as local grants-in-aid) and if the proceeds from disposition were \$700,000, resulting in a loss (or net project cost) of \$300,000, the Federal grant would then be limited to \$150,000 (being the difference between the loss of \$300,000 and the local grants-in-aid of \$150,000) rather than \$200,000 (being two-thirds of the loss of \$300,000). In the event that local grants-in-aid were sufficient to cover the entire loss, no Federal grant would be made for the project.

Although Federal loan assistance for the acquisition and preparation of open, unplatted urban or suburban land for residential use is provided for, it does not appear that Federal subsidy assistance for such cases would at this time be justified. Accordingly, no Federal capital grants may be made in connection with such a project and, correspondingly, no local grants-in-aid are required. Such projects would be excluded from the computation of aggregate project costs, local grants-in-aid, and net losses used as the basis for the sharing of Federal and local grants for all other projects in the locality.

The Administrator is authorized to contract to make capital grants aggregating not more than \$500,000,000. This capital grant authorization becomes available over a 5-year period at the following rate: \$100,000,000 on and after July 1 in each of the years 1949, 1950, 1951, 1952, and 1953, respectively. The section also permits the specified amounts of the capital grant authorization becoming available in any year to be increased (subject to the total capital grant authorization of \$500,000,000), at any time or times, by not to exceed an additional \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

#### SECTION 104. REQUIREMENTS FOR LOCAL GRANTS-IN-AID

This section requires the locality to share the net losses of any project assisted by Federal capital grants under this title and to call upon the Federal Government for aid only to the extent necessary. It provides that the local community must itself participate financially to the extent of at least one-third of the net project cost, as defined in this title. Such local assistance may be in the form of (1) cash grants, (2) donations of land, demolition or removal work, or site improvements in the project area, or (3) the provision of parks, playgrounds and public buildings or facilities which are of direct or substantial benefit to the project. Where a locality undertakes more than one project on which Federal capital grants are to be made, this requirement relates to such projects considered in the aggregate.

The definition of local grants-in-aid in section 110 (d) makes it clear that the local community may not count as local grants-in-aid (1) the value of any land in streets, alleys and other public rights-of-way which may be vacated in connection with the project, (2) any low-rent public housing, or (3) any demolition or removal work, improvement, or facility for which any grant or subsidy is to be made by the United States or any agency or instrumentality thereof. If any of the public improvements or facilities provided are charged to specific property owners by way of special assessments, the portion of the amount so charged would not be eligible for inclusion as a local grant-in-aid. Local public buildings or facilities, otherwise eligible as local grants-in-aid, remain eligible in the event they should be assisted by temporary loans under section 102 (b).

#### SECTION 105. LOCAL DETERMINATIONS

This section assures that aid to projects under this title will be based upon local determination of need and maximum reliance upon private enterprise. It provides that any contracts for financial aid under the title may be made (1) only with a duly authorized local public agency, and (2) only if the redevelopment plan is approved by the governing body of the locality. Moreover, such approval must include findings that the Federal financial aid to be provided in the contract is necessary to enable the land in the project area to be developed or redeveloped; that the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the development or redevelopment of such areas by private enterprise; and that the redevelopment plan conforms to a general plan for the development of the locality as a whole.

This section also assures that all projects assisted will conform to the locally approved redevelopment plan. It provides that as a condition to Federal assistance, the local public agency must agree to obligate those to whom it sells or leases the land in the project area to devote the land to the uses specified in the redevelopment plan and to begin the building of their improvements within a reasonable time.

The section also requires that there be a feasible method for both the temporary and permanent relocation of the families who have been living in the area and who are displaced as a result of the clearance of the area. The provisions of this section that contracts shall require that there are or are being provided, in reasonably suitable locations, permanent dwellings for families to be displaced, are not intended to be rigid specifications. Obviously, slum clearance projects cannot go forward without some difficulties for the families to be displaced. Provisions are therefore included to afford reasonable protection for such families. The provisions of this section are general in nature, in effect requiring that decent, safe, and sanitary housing be available for the displaced families in areas which have generally satisfactory public and commercial facilities, and which are reasonably accessible to their places of employment.

In view of the present acute housing shortage, this section would prevent the demolition of residential structures in connection with this program prior to July 1, 1951, if the governing body of the locality



determines that such demolition would reasonably be expected to create undue housing hardship in the community.

#### SECTION 106. GENERAL PROVISIONS

This section gives the Administrator the technical powers necessary for the performance of his duties under this title. In so doing, it provides for the appointment of a director to administer the provisions of this title under the direction and supervision of the Housing and Home Finance Administrator.

#### SECTION 107. PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

This section assures that the financial assistance under this title will not result in a double subsidy to federally assisted low-rent public housing, by providing that any land in the project area made available for such low-rent public housing must be paid for by the public housing agency undertaking such low-rent public housing project.

#### SECTION 108. SURPLUS FEDERAL REAL PROPERTY

This section authorizes the sale of any Federal real property surplus to the needs of the Government and within the area of a land assembly project, to the local public agency undertaking the project, at a price equal to its fair market value. The proceeds from any such sales would be deposited in the Treasury as miscellaneous receipts.

#### SECTION 109. PROTECTION OF LABOR STANDARDS

This section, designed for the protection of labor standards, requires that not less than prevailing wages be paid to those employed in the development of any project assisted under this title, makes the "kick-back" statute applicable to all such projects, and requires monthly reports by all contractors used on the project to the Secretary of Labor as to the number of persons employed by them, the aggregate amount of their pay rolls, the total man-hours worked, and expenditures for materials. Demolition or removal work or site-improvement work paid for by the State, city, or other public body (other than the local public agency undertaking the project) are not included within the scope of this section due to the obvious difficulties which would result where the city or other public body is making its local grant-in-aid in the form of project work. For example, the city (as a part of its local grants-in-aid) may install streets in the project area as part of a general city paying contract which also covers street work in areas other than the project area. Or the city may perform demolition or removal work with salaried personnel in its engineering department.

#### SECTION 110. DEFINITIONS

This section sets forth the definitions of the basic terms used in the title. Through these definitions, the section provides that no project area would qualify for Federal aid unless it involves either a slum area or a deteriorated or deteriorating area which is predominantly residential in character; or any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses;



or platted urban or suburban land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses; or open unplatted urban or suburban land necessary for sound community growth which is to be developed for predominantly residential uses. (In the last case the project thereon, as provided in sec. 103 (a), is not eligible for any capital grant.) Through these definitions also, the section limits Federal assistance to the furtherance of such purposes as (1) the acquisition of the land in the area requiring development or redevelopment; (2) the removal of existing structures and improvements; (3) the provision of streets, utilities, and other site improvements essential for the new land uses contemplated; and (4) the making of the land available for development or redevelopment at prices consistent with its proposed new uses. Aid under this title to assist the construction of any of the buildings contemplated by the redevelopment plan is expressly barred, except in the case of the temporary loans authorized by section 102 (b) for the provision of school or other public buildings or facilities necessary to serve or support the new uses of land in projects on land which is open or predominantly open.

#### TITLE II—LOW-RENT PUBLIC HOUSING

This title provides for an extension of the low-rent public-housing program to serve urban and rural nonfarm families whose incomes are so low that they are not being adequately housed in new or existing private housing. This program will be administered by the Public Housing Administration, a constituent of the Housing and Home Finance Agency, under the terms of the United States Housing Act of 1937, as amended, including the amendments made by this bill.

This title contains provisions to assure complete consistency with the basic objectives of primary reliance upon private enterprise to do as much of the total housing job as possible; increasing emphasis on local responsibility and initiative; special preferences to meet the needs of veterans of low income and their families; enlistment of private capital to finance substantially all of the capital cost of low-rent public-housing projects; and an adaptation to current needs with respect to the amount and period of Federal annual subsidy to achieve low rents. The title also contains a miscellany of technical and perfecting amendments to the United States Housing Act of 1937 that the 11 years of operations under it have indicated to be necessary and desirable.

#### SECTION 201. LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

This section provides that no contract for a preliminary loan for surveys and planning for low-rent housing projects shall be made with a local public-housing agency unless (1) the governing body of the locality has approved the application for said loan, and (2) the local public-housing agency has satisfied the Public Housing Administration that there is a need for low-rent housing in that locality which is not being met by private enterprise. It is also made clear that preliminary loans made under the lending powers of the PHA are to

be repaid out of the development funds of the projects for which financial assistance contracts are subsequently entered into.

Before any contract on a project initiated after March 1, 1949, is made for loans (other than preliminary loans) or for annual contributions in respect to a low-rent housing project, the governing body of the locality must have entered into an agreement with the local public housing agency to provide the local cooperation and assistance which is required by the PHA pursuant to this act. Moreover, the local public housing agency must have demonstrated to the satisfaction of the PHA that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed project and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof. This section thus establishes as basic national policy that even with respect to the segment of housing need which the regular operations of private enterprise are not now serving, every opportunity is to be given to it to extend its servicing capacity downward in the income scale.

This section also provides that every annual contributions contract for a project initiated after March 1, 1949, shall require the local public housing agency to fix, subject to approval by the PHA, maximum income limits for admission and for continued occupancy in the project. Such limits must be revised by the local public housing agency if required by PHA because of changed conditions. Such contract shall also require reports showing that, as indicated by actual investigation, every family admitted to the project had at the time of admission an income below the established maximum limit, and that every such family came from an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or was (without fault of its own) either without housing or was about to be without housing pursuant to a court order of eviction. For a period of 5 years, however, these requirements as to previous housing conditions do not apply to veterans or servicemen of low income. In the selection of tenants for low-rent housing, it is also required that there be no discrimination against families otherwise eligible on the ground that their incomes are derived in whole or in part from public assistance. In the initial selection of tenants for a project, preference shall be given (subject to the overriding preferences in Section 202 relating to veterans' preference) to families having the most urgent housing needs; thereafter in selecting tenants due consideration shall be given to the urgency of housing needs. After admission, periodic examinations must be made of the incomes of all families who are tenants in the project so that, if their incomes are found to have increased to the point where they exceed the applicable income limits for continued occupancy, they will be required to move from the project.

#### SECTION 202. VETERANS' PREFERENCE

Section 202 extends preferences to families displaced by low-rent housing projects or public slum-clearance or redevelopment projects. Such preferences are necessary to enable the rehousing of such displaced families and permit such projects to go forward. Both within

this group and all other groups, low-income families of veterans and servicemen of World War II will be given preference in admission for a 5-year period. Definitions of the terms "veteran" and "servicemen" are provided in this section.

Specifically, under this section preference is given in all projects initiated after March 1, 1949, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were displaced by such a project within 3 years prior to applying for admission. As among such families, there is a first preference to the families of disabled veterans and a second preference to the families of other veterans and servicemen (including families of deceased veterans and servicemen). A similar veterans' preference is extended as among families who have not been displaced by a slum-clearance project. All of these preferences, of course, apply only if the family seeking admission is otherwise eligible, and if a dwelling of suitable size and rent is available.

#### SECTION 203. COST LIMITS

This section is designed to end certain inequities and uncertainties resulting from present cost limits on low-rent housing assisted by the Federal Government, and to compensate for the drastic increase in building costs since the enactment of the United States Housing Act in 1937.

Experience has indicated that existing provisions, which place a ceiling on dwelling-unit costs as well as on room costs, and which provide for higher cost ceilings for cities of more than 500,000 population, are inadequate or faulty, in that (1) a limitation on cost of the entire dwelling unit hampers the provision of housing for larger-sized families of low income and so discriminates against such families; and (2) a differential in cost limits based solely on the size of the community is no longer realistic due to the increasing uniformity in construction costs, including both labor and material, irrespective of city size. The section, therefore, eliminates the limitation on dwelling-unit cost (but not the limitation on room cost, so that the essential limitation on construction costs is still retained in the act) and establishes a uniform ceiling, not dependent upon city size, for the cost of dwelling construction and equipment. In addition, the section simplifies determination of compliance with the cost limitations by specifically basing these limitations upon the cost of dwelling construction and equipment. This will ordinarily permit firm determination of compliance with the cost limitations of the act at the time the main construction contract is awarded.

In order that the drastic increase in building costs may not prevent the provision of housing needed for families of low income, the section provides for a higher cost limitation of \$1,750 per room, as compared with existing limitations of \$1,000 and \$1,250 in small and large cities, respectively. It also authorizes an increase in this cost limitation by not more than \$750 per room in areas where it would not be feasible without such an increase to construct the project without sacrifice of sound standards of construction, design, and livability, and where there is an acute need for such housing. The percentage of increase in the cost limitation as provided in this section is substantially less than the percentage of increase in construction costs which has actually occurred since 1937.



Because of special cost problems in Alaska, the section also has special provisions permitting higher costs in that Territory if found necessary.

This section also will require that the Public Housing Administration, taking into account the level of construction costs in the respective localities, shall approve the amount of all main construction contracts before they are awarded by the local public housing agencies. This is in lieu of a present requirement as to comparison with the average costs of private construction in the locality.

The authorization increasing cost limits is applicable to any low-rent project completed after January 1, 1948. This will make the increased cost limitations available in the case of low-rent projects which were deferred during the war, on some of which a small amount of construction work was done before they were deferred. It will also make the increased cost limitations applicable to, and permit the revision of contracts for, any projects which have proceeded (prior to enactment of this bill) under the provisions of Public Law 301, Eightieth Congress.

#### SECTION 204. PRIVATE FINANCING

The basic purpose of this section is to amend the financing provisions of the United States Housing Act of 1937 so as to make possible the permanent financing of substantially all of the capital cost of low-rent housing projects by the sale of bonds to private investors, and thus in effect limit Federal lending assistance for low-rent housing primarily to the temporary interim financing necessary prior to the issuance of definitive bonds.

The sale of bonds for the permanent financing of low-rent projects at low-interest rates has been made possible through a pledge of the Federal annual contributions as security for the bonds. Subsection (a) relates to this pledge, and makes it possible, in the event there is more than one issue or class of bonds, to pledge appropriate amounts of annual contributions separately to each issue or class of bonds.

Pursuant to subsection (b), every annual contributions contract (including amending or superseding contracts) may provide that, in the event of a substantial default by a local public housing agency in its covenants to the Public Housing Administration, such local agency shall at the option of PHA be obligated to convey title to or deliver possession of the project to PHA (subject to the right of the local public housing agency to reconveyance or redelivery upon a satisfactory curing of the default). Conveyance of title rather than delivery of possession would be required only when PHA determines that this is necessary to achieve the purposes of the act. After taking title or possession, PHA would continue to make annual contributions for the project, but not in excess of the amounts contracted for pursuant to statute. This would assure both (1) that the project will continue to operate as a low-rent housing project, and (2) that investors who have furnished the capital funds for its construction in reliance upon the continuance of its low-rent character and the making of annual contributions therefor during the entire life of the loan, will have their investment adequately protected. With this assurance there is every reason to anticipate that private capital will be willing to furnish practically all of the capital cost through long-term loans and to do so at low-interest rates.



Subsection (c) revises the provisions in the act relative to the going Federal rate (which determines the minimum loan interest rate and the maximum annual contribution rate) so as to provide that the governing rate is the one as of the date of Presidential approval of the contract for loan or annual contributions, respectively, rather than the date the contract happens to be signed by PHA and the local public-housing agency. Further, it provides that in the event there are two or more rates of interest on such date, the rate used shall be the highest thereof, and that in no event shall such rate be deemed to be less than  $2\frac{1}{2}$  percent.

Subsection (d) reduces the maximum loan period from 60 to 40 years in the case of projects which are initiated after March 1, 1949, and which are assisted by Federal annual contributions. It also reduces the minimum interest rate on Federal loans made for projects where the maximum loan and annual contribution period is 40 rather than 60 years, from the applicable going Federal rate plus one-half of 1 percent to simply the going Federal rate. Contracts for projects initiated prior to March 1, 1949, may thus be amended to reduce the loan and annual contribution period to not more than 40 years and thereby make the project eligible for an interest rate at simply the applicable going Federal rate.

The present power of PHA to make 60-year loans at an interest rate equal to the going Federal rate plus one-half of 1 percent is retained for projects initiated after March 1, 1949, provided they are not assisted by Federal annual contributions. This lending power could, of course, be made use of only if financial assistance were available from other sources, and if the projects and tenants were otherwise eligible under the United States Housing Act of 1937, as amended, such as State or local governments, in amounts which would enable the local public-housing agencies to meet their operating costs and debt service on the Federal loan, and at the same time achieve rents low enough to be within the means of families of low income.

Subsection (e) limits the period over which annual contributions may be paid on projects initiated after March 1, 1949, to 40 years as contrasted with the present authorization of 60 years. In order to make this possible, and thus substantially reduce the total amount of the annual contributions, and also to assure a highly marketable local housing agency bond even under adverse market conditions, this paragraph would, in respect to projects where the contribution period is limited to 40 years, amend the present requirement that the contribution shall not exceed a sum equal to the going Federal rate plus 1 percent upon the development or acquisition cost of the project so that the limitation would be a sum equal to the going Federal rate plus 2 percent upon such cost. Contracts for projects initiated prior to March 1, 1949, may thus be amended to reduce the annual contribution period to not more than 40 years and thereby make the project eligible for annual contributions at the applicable going Federal rate plus 2 percent. The additional annual contributions authorization made by this bill would be available, if needed, in connection with such refinancing of existing projects or the sale to local public-housing agencies of the Public Law 412 and Public Law 671 projects now owned by the Federal Government. The shortened period over which annual contributions may be paid will more than

compensate for the permitted increases in the amount of annual contributions.

In addition to substantially reducing the need for Federal loan assistance, subsections (f) and (g) also revise certain conditions with respect to Federal subsidy assistance. This is done by providing (1) that, instead of an adjustment in the maximum amount of annual contributions at 5-year intervals, in any year when the receipts derived in connection with the project exceed expenditures and charges, the excess must be used for purposes which will reduce subsequent annual contributions; and (2) that contracts for loan and annual contributions based on a certain "going Federal rate" may, in the case of a change in such rate, be amended so as to base the interest rate on Federal loans, or the maximum contribution payable, on the new rate whenever this would promote economy or be in the financial interest of the Federal Government.

Subsection (h) requires that borrowings by PHA be from the Treasury. At the same time, the statutory language with respect to PHA's borrowing authorization is adapted to the changes in PHA's lending program that would result from the provisions of this title, by relating the gross amount authorized to the amount of obligations that may be outstanding rather than to the aggregate amount that the PHA may issue exclusive of refunding obligations. The gross amount authorized is increased from \$800,000,000 to \$1,500,000,000 in recognition of the size of the extended program and the increased construction costs anticipated. It is expected that with this amendment PHA borrowing power will make it possible to provide all of the capital funds required from the Federal Government in connection with the extension of the low-rent program.

Subsection (i) provides a definition of development cost (which is not defined in the present act) which will include in capital cost all items which would be capitalized under standard business practice, including the cost of capital improvements made at any time during the life of the project. This definition, in accordance with business practice, includes appropriate carrying charges, such as interest, insurance, payments in lieu of taxes, local housing authority overhead, and any initial operating deficit. Carrying charges subsequent to the date of physical completion, however, may not be capitalized.

Subsection (j) makes it clear that, in line with the usual practice in the past, where a local public-housing agency is undertaking two or more low-rent public housing projects, they may, in a contract, be treated collectively as one project.

#### SECTION 205. ANNUAL CONTRIBUTIONS

Subsection 205 (a) increases the Public Housing Administration's annual contributions authorization in order to provide for an extension of the program of low-rent public housing in urban and rural non-farm areas. It increases the total amount of annual contributions authorization available to PHA on or after July 1, 1949, by \$85,000,000 a year (in addition to the existing authorization), which authorization would be increased by further amounts of \$55,000,000 in each of the following 3 years, and by \$58,000,000 a year on July 1, 1953. The new authorization thus totals \$308,000,000 per annum. In respect to projects initiated after March 1, 1949, PHA may au-

thorize the construction of not more than 135,000 additional new dwelling units after July 1, 1949, which limit would be increased by further amounts of 135,000 on July 1 in each of the years 1950 through and including 1954, respectively, thus making a total of 810,000 new dwelling units in 6 years. In respect to projects initiated after March 1, 1949, not more than 810,000 additional new dwelling units may be put under construction without further authorization from the Congress.

The President is authorized to accelerate or retard the program, if he finds such action to be in the public interest, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy. Subject to the total additional annual contributions authorization of not more than \$308,000,000 per annum, the amount made available at the beginning of any fiscal year may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$55,000,000 per annum. Subject to the total authorization of 810,000 new units, authority to commence construction which is made available at the beginning of any fiscal year may be increased at any time or times by not to exceed in any fiscal year an additional 115,000 units, and each of such authorizations may be decreased at any time or times by not to exceed in any fiscal year 85,000 units. The construction authorization to become available at the beginning of each fiscal year could thus be increased to not more than 250,000 units, or be reduced to not less than 50,000 units, but the amount of any decrease would remain available for subsequent authorization by the President at any time or times so that construction of the full 810,000 new units initiated after March 1, 1949, could eventually be authorized by him.

In order to reserve funds for low-rent housing in urban nonfarm areas, it is provided that 10 percent of the annual contributions authorizations which become available shall be reserved for projects in rural nonfarm areas for a period of 3 years after the authorization becomes available.

Under subsection 205 (b), contracts for annual contributions on projects initiated after March 1, 1949, shall require exemption of the projects from all real- and personal-property taxes, but the contracts may authorize payments in lieu of taxes not in excess of 10 percent of shelter rents. This requirement of tax exemption is in lieu of existing provisions in the act as to local contributions. In the event that tax exemption is not legally available, local contributions may alternatively be made in cash in an amount not less than 20 percent of the annual contributions paid by PHA.

Contracts on projects initiated prior to March 1, 1949, may also include similar provisions in respect to project fiscal years for which the annual contributions date is subsequent to July 1, 1949; but if existing contracts on such projects are not so amended, payments in lieu of taxes will be limited solely to the amounts provided under contracts outstanding on July 1, 1947. As to project fiscal years for which the contributions date falls between July 1, 1947, and July 1, 1949, payments in lieu of taxes (unless already made in larger amounts) will be authorized in the amount of 5 percent of shelter rent or in the amounts specified in the few existing contracts which call for amounts over such 5 percent.



## SECTION 206. SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

Experience has proven that the existing provisions of the United States Housing Act make it difficult to meet the needs of large families of low income. In addition to the provisions in section 203 revising the cost limitations so as to permit the construction of larger dwelling units, this section revises the requirements as to eligibility for families with a relatively large number of children. In lieu of the present provision which requires that annual income at the time of admission may not exceed five times the gross annual rent, or six times the gross rent for families with three or more minor dependents, this section provides that the 5 to 1 ratio shall be used for all families, but that, in determining family income for admission an exemption of \$100 shall be given for each member of the family (other than the head of the family or his spouse) who is less than 21 years of age. Under this new provision, there will be a somewhat larger spread between the incomes for eligibility of families with few children and those with a relatively large number of children, in recognition of the very substantial differences in their respective living expenses.

A further difficulty has arisen in the case of families who are eligible to remain in a project on the basis of the income of the regular, principal worker or workers, but who become ineligible if a child goes to work upon the completion of his schooling. Even though this be a temporary condition which will end as soon as a child marries and establishes his own home, the family would nonetheless be required to move from the project. The present provisions thus tend to force children to leave the home in order to continue the family eligibility. This section, therefore, authorizes a local public-housing agency (in lieu of a \$100 exemption) to deduct all or part of the earnings of such a secondary worker from family income in determining eligibility for continued occupancy. This exclusion will be only a temporary matter, since it is limited to secondary wage earners who are under 21 years of age. Moreover, the income of such children will not be excluded in determining eligibility for admission or in fixing the actual rent to be paid by the family.

## SECTION 207. TECHNICAL AMENDMENTS

Subsection 207 (a) amends the declaration of policy contained in section 1 of the act so as to limit the future low-rent public-housing program of the Public Housing Administration to urban and rural nonfarm areas. It is contemplated that no assistance to farm housing will be provided under the United States Housing Act, and that the experimental farm-housing program undertaken before the war be liquidated as quickly as possible.

Subsection 207 (b) makes it clear that contracts for financial assistance shall be entered into with a State or a State agency only if such State or State agency is itself to develop and administer the project.

Subsection 207 (c) defines the term "initiated" when used in reference to the date on which a project was initiated as referring to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public-housing agency. Pursuant to this definition, the various requirements of the bill applicable to projects initiated after March 1, 1949, will apply, not only



to newly constructed projects on which contracts for financial assistance are first entered into after such date, but also to any federally owned Public Law 412 and Public Law 671 projects on which there are not existing contracts for financial assistance but which may be sold to local public-housing agencies under a contract for financial assistance, entered into after March 1, 1949.

Subsection 207 (d) removes the present requirement for the elimination of substandard dwellings in connection with low-rent projects. This is appropriate since the bill clearly separates the function of extending Federal assistance for the clearance of slums from that of extending assistance for low-rent housing. The responsibility for slum clearance is now to be undertaken pursuant to the provisions of title I of the bill.

The other subsections of this section provide technical amendments to the United States Housing Act of 1937, as amended, which are required either as a result of the substantive amendments to the act provided in this bill or have been shown to be necessary as a result of experience under the bill.

### TITLE III—HOUSING RESEARCH

The purpose of this title is to assist in progressively reducing housing costs and increasing the production of better housing, and in making available necessary data on housing needs, demand, and supply.

#### SECTION 301

This section authorizes the Housing and Home Finance Administrator to undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing costs and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. It also retains the present provisions of the Housing Act of 1948 with reference to the improvement and standardization of building codes and regulations and methods for the more uniform administration thereof, and standardized dimensions and methods for the assembly of home-building materials and equipment.

This section also permits the Administrator to enter into research contracts for work to continue for 4 years and provides that funds so obligated may remain upon the books of the Treasury for an additional fiscal year. (Under present authority, contracts must be performed and payments made within 2 years after the fiscal year in which undertaken.) This includes contracts for developmental research. The Housing and Home Finance Agency has no laboratory of its own and must utilize other Government agencies and contract with eligible agencies of State and local governments, educational institutions, and other nonprofit organizations for laboratory research; however, such laboratories are frequently reluctant to tie up their facilities in short-term projects offering no assurance of completion. Many research problems are complex and require for their solution a series of time-consuming successive steps. This provision is therefore

necessary in order that a research program can be undertaken with some assurance that the projects initiated will be carried to a conclusion. The last sentence of the section is merely declaratory of the general principle that research conducted with public funds should rebound to the benefit of the general public.

The section also provides that the results of such technical research and studies shall be disseminated in such form as shall be most useful to industry and to the general public. It also exempts the dissemination of the results of such technical research and studies from the existing provisions of law prohibiting any agency from distributing through the mail, free of postage, reports and other documents unless a request therefor has been previously received by such agency.

The section further contemplates inventories to be made by the Administrator, as necessary, of urban and rural nonfarm housing needs and the progress being made in meeting those needs, and authorizes the Administrator to encourage and assist localities to make studies, surveys, and plans with respect to their own housing needs and markets.

#### SECTION 302

This section stresses the intention that the Housing and Home Finance Administrator shall work in close collaboration with industry and labor and with other Federal and local governmental agencies, educational institutions, and other appropriate agencies in carrying out the research program. The section further provides that the Administrator shall consult with, and make recommendations to, the other appropriate Federal agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data and the facilities available for the collection of such data.

#### TITLE IV—FARM HOUSING

The provisions of this title recognize the complex nature of the housing problem on farms and the interrelation of that problem with other problems affecting the farm economy. The devices heretofore employed and now proposed for Federal assistance with respect to nonfarm housing are inadequate and cannot be adapted to give the same measure of assistance to families living on farms, because the special and different problems attaching to farm housing and other farm buildings require special provisions for such housing. This title recognizes the intimate relationship between farm housing and the entire farm economy and so places the responsibility for aids to provide adequate housing and farm buildings on farms upon the Department of Agriculture.

The title therefore authorizes the Secretary of Agriculture to extend, through the Farmers' Home Administration, three types of financial assistance to owners of farms to enable them to construct or repair dwellings and other buildings on their farms to provide them, their tenants, lessees, share croppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings:

1. Loans up to 33 years at not to exceed 4 percent interest. The loans would not require a first mortgage on the farm property and could be secured by the farmer's equity in the farm.

2. Similar loans, supplemented by annual contributions applied as a partial credit on interest and principal payments, to the owners of farms which are not presently self-sustaining but which, through a satisfactory program of enlargement, improvement, or adjusted farm practices, can be made self-sustaining within a period of not to exceed 10 years. The annual contributions could not be made available to a farm owner after the farm is made self-sustaining or, in any event, for more than 10 years.

3. Loans and grants for minor improvements and minimum repairs to farm dwellings and other farm buildings on farms which, in the opinion of the Secretary of Agriculture, cannot be made self-sustaining. The amount available in such cases would be limited to \$1,000 for any one farm or dwelling or building owned by one individual, and not in excess of \$2,000 in the aggregate to any one individual, and the grant portion with respect to any one dwelling or building could not exceed \$500.

Loans are to be refinanced through cooperative or other responsible private credit sources whenever feasible.

#### SECTION 401. FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

In order to be eligible for assistance under the title, the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

For the purposes of this title, a "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary is required to determine promptly whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination is final and conclusive.

#### SECTION 402. LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

This section authorizes the Secretary to make loans, repayable in 33 years at 4-percent interest, to eligible applicants having the ability to repay in full the sum to be loaned, giving due consideration to the income and earning capacity of the applicant and his family from farm and other sources, and the maintenance of a reasonable standard of living for the owner and occupants of the farm. Such loans would be secured by the applicant's equity in the farm and such additional collateral as the Secretary may determine to be necessary to assure



repayment of the indebtedness. All loans would be made upon condition that they be refinanced through cooperative or other responsible private-credit sources whenever it appears that the borrower will be able to do so upon reasonable terms and conditions.

#### SECTION 403. LOANS FOR DWELLINGS ON POTENTIALLY ADEQUATE FARMS

This section provides for the assistance needed for those farmers whose present income is such that some assistance over and above the long-term, low-interest credit provided in section 402 is necessary in order to put them into a position to acquire and maintain acceptable housing and related facilities, but whose farm enterprise is capable of being redeveloped by improvement or enlargement of the farm, or by adjustment of farm practices or methods, so as to bring them within a reasonable period of time within the group of farmers in need only of liberal credit aids.

With respect to a farm owned by an applicant whose income does not appear to be sufficient to make the annual repayments of principal and interest within the maximum period of the loan, the Secretary would be authorized under this section to make the loan, on the same terms and conditions as loans made under section 402, if the income of the applicant can be sufficiently increased, within a period of not more than 10 years, by the improvement and enlargement of the farm or adjustment of farming practices or methods and the applicant has adopted or will adopt a plan to so increase his income. In connection with such loans, the Secretary will also be authorized to agree to make annual contributions, within a 10-year period, in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the annual principal payments in any year and not to exceed such amount as the borrower's income for the year falls short of the income needed to make scheduled payments. This agreement, with respect to credits, will accrue only to the benefit of the borrower or to such other eligible persons as the Secretary may determine.

#### SECTION 404. OTHER LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

This section authorizes the Secretary to extend financial assistance to the owner of a farm for which there is no reasonable prospect of development into a farm capable of supporting adequate housing and farm buildings. With respect to such a farm, and eligible applicant could secure from the Secretary a grant or combination of loan and grant to cover the cost of improvements or additions, such as roof repairs, toilet facilities, convenient and sanitary water supplies, screens, structural supports and similar improvements, when such improvements are necessary to make the dwellings and buildings safe and sanitary and remove hazards to the health of the occupant, his family or the community. The maximum grant with respect to any one dwelling or building would be \$500. A combination loan and grant is limited to \$1,000 with respect to any one farm, dwelling, or building, and to a maximum of \$2,000 financial assistance under this section to any one individual.

## SECTION 405. MORATORIUM ON PAYMENTS UNDER LOANS

This section authorizes the Secretary to grant a moratorium upon the payment of principal and interest on any loan on which, due to circumstances beyond the borrower's control, the borrower is unable to continue to make scheduled payments without unduly impairing his standard of living. In extreme hardship cases, interest might be canceled during the moratorium, and, should foreclosure subsequently be necessary, no deficiency judgment would be taken against such a borrower if he had faithfully tried to meet his obligations.

## SECTION 406. TECHNICAL SERVICES AND RESEARCH

This section provides that all new buildings constructed, or repairs made with financial assistance under this title shall be substantially constructed in accordance with such plans and specifications as may be required by the Secretary. This section also authorizes the supervision and inspection of construction to the extent which may be found necessary for accomplishing the purposes of this title and for the preservation of the Government's security interest. The extent of the requirements for building plans, supervision, and inspection would depend upon the character of the construction and the amount of the loan. These provisions are somewhat more specific than the related provisions in the predecessor bill (S. 138) as originally introduced.

The Secretary would also be authorized under this section to furnish, without charge or at such charges as he may determine, to any person, including any person eligible for financial assistance under this title, building plans, specifications, construction supervision, advice and information, and similar technical services regarding farm dwellings and other buildings. In order to assure that such services are rendered consistent with the primary purpose of the bill, specific authorization for research and technical studies is contained in this section. It is contemplated that the research studies will include economic, technical, and research to provide an adequate basis for extending financial assistance and for the preparation of estimates and reports on national farm housing needs and the progress being made toward meeting such needs which the Secretary would be required to submit under this section. Through the provisions of this section it is believed that funds made available to eligible borrowers will go far in demonstrating and effectuating economies in farm building construction which are so necessary on most of the farms of the Nation if they are to be improved with adequate buildings.

## SECTION 407. PREFERENCE FOR VETERANS

This section requires that the Secretary of Agriculture give preference to veterans and families of deceased servicemen as between eligible applicants for assistance under this title.

## SECTION 408. LOCAL COMMITTEES TO ASSIST SECRETARY

This section permits the use of committees of local farmers in examining the applications for assistance under this title and the

making of recommendations to the Secretary with respect to the applicant's eligibility, his likelihood of success, his character, ability, and experience, and whether the farm with respect to which the application is made is of such character that the making of the loan will carry out the purposes of this title. The local committees will also certify their opinions as to the reasonable values of the farms, for security purposes. Committees of farmers appointed under this section or pursuant to existing law, principally those appointed under the Bankhead-Jones Farm Tenant Act, will be utilized.

#### SECTION 409. GENERAL POWERS OF SECRETARY

This section gives the Secretary the power to determine and prescribe standards of adequate farm housing and other farm buildings for individual farms and for localities. In prescribing such standards, he will take into consideration such things as the type of housing which will provide decent, safe, and sanitary dwellings for the family of the occupant, the type and character of the farming operations contemplated and the size and earning capacity of the land.

This section also authorizes the Secretary to require an applicant to agree that the improvements, constructed with assistance under this title, shall not be a justification for unwarranted changes in the lease or occupancy agreements between the applicant and the occupant of such farms without the Secretary's approval. This provision has for its purpose assurance that the benefits of this title will be extended to the tenants on the applicant's farm without the danger of charging such tenants for benefits which inure to the landowner.

#### SECTION 410. ADMINISTRATIVE PROVISIONS

This section enumerates certain powers to be vested in the Secretary which are necessary in the administration of a program of this type. Of most importance among these is the authority to compromise claims and obligations arising under this title in the manner which has been successfully undertaken in connection with loans made under the Bankhead-Jones Farm Tenant Act. One of the most effective devices in the servicing of loans is the power which would be granted the Secretary to release borrowers from personal liability without regard to their debt-paying ability in connection with the transfer of their farms to the Secretary or to other approved applicants who assume all or a portion of the outstanding indebtedness to the Secretary. The provisions of the General Debt Settlement Act applicable to programs administered by the Secretary of Agriculture (58 Stat. 836) are also made applicable to claims under this title. This section also includes such servicing authority as collection of claims and pursuing them to final judgment, if necessary, in any court of competent jurisdiction, with the assistance of the Attorney General and the United States attorneys; the bidding for and the purchasing, at foreclosure sale or otherwise, of property securing obligations under this title; and the lease, operation and sale of such security property on terms and conditions determined by the Secretary to be reasonable. Under this provision, security property acquired in liquidation of obligations can be disposed of in furtherance of the principal objectives of the act.



## SECTION 411. LOAN FUNDS

This section authorizes the financing of loans to farm owners by means of funds made available to the Secretary of Agriculture by the Secretary of the Treasury on such terms and conditions as may be prescribed by the Secretary of Agriculture with the approval of the Secretary of the Treasury. The Secretary of the Treasury would use the proceeds of the sales of securities under the Second Liberty Bond Act to secure funds advanced to the Secretary of Agriculture. Such advance would be repaid primarily from the repayments of principal and interest on obligations of individual borrowers.

Under this section, the contemplated loan program begins with \$25,000,000 to be available on and after July 1, 1949, and such additional sums as may be determined by the Congress from time to time to be made available on and after July 1, 1950, July 1, 1951, and July 1, 1952: These sums will not exceed \$50,000,000, \$75,000,000, and \$100,000,000, respectively.

## SECTION 412. CONTRIBUTIONS

This section limits the agreements of the Secretary with borrowers under the authority of section 403 on potentially adequate farms so that the aggregate contributions or credits under those agreements made on and after July 1, 1949, will not exceed \$500,000 per annum for not to exceed 10 years, and limits additional commitments pursuant to the same section made on and after July 1 of the years 1950, 1951, and 1952, to those calling for additional annual credits of not more than \$1,000,000, \$1,500,000, and \$2,000,000, respectively.

## SECTION 413. AUTHORIZATION FOR APPROPRIATIONS

This section authorizes appropriations to supplement receipts from borrowers so that the Secretary of Agriculture may fully repay the Secretary of the Treasury the amounts advanced and interest thereon when due. It also authorizes an initial appropriation of \$1,000,000 for temporary repair grants under section 404, to be made on and after July 1, 1949, and additional appropriations for this purpose to be made available on and after each of the years 1950, 1951, and 1952, in the amounts of \$2,500,000, \$4,000,000, and \$5,000,000, respectively. Authorization is provided finally for sums to be appropriated for the research and technical services and for general administration of this title of the bill.

## TITLE V—MISCELLANEOUS PROVISIONS

## SECTION 501. ADVISORY COMMITTEES

This section authorizes the Housing and Home Finance Administrator to appoint such advisory committees as may be necessary in carrying out his functions, powers and duties under this or any other act.

This section also provides that service as a member of any such advisory committee shall not constitute any form of service or employment within the provisions of title 18, United States Code, section 281, 283, or 284.

Title 18, United States Code, section 283, prohibits an officer or employee of the United States from acting as agent or attorney for prosecuting any claim against the United States or aiding or assisting in the prosecution or support of any such claim or receiving any gratuity or any share of or interest in any such claim, and provides a fine of not more than \$10,000, or not more than 1 year's imprisonment, or both.

Title 18, United States Code, section 281, prohibits an officer or employee of the United States directly or indirectly from receiving or agreeing to receive any compensation for any services rendered or to be rendered in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest or other matter in which the United States is a party or directly or indirectly interested before any agency, court or commission, and provides a fine of not more than \$10,000 or not more than 2 years' imprisonment, or both.

Title 18, United States Code, section 284, prohibits any person within 2 years after employment in any agency of the United States from prosecuting or acting as counsel, attorney, or agent for prosecuting, any claims against the United States involving any matter directly connected with which such person was so employed or performed duty. It provides a fine of not more than \$10,000 or imprisonment for not more than 1 year, or both.

This section follows title III, section 303 (b), Public Law 253, Eightieth Congress—the National Security Act of 1947—except that this section of the bill provides a complete exception from title 18, United States Code, section 284, whereas the National Security Act provision grants exception from such provision unless the act of such individual is made unlawful when performed by such individual, with respect to any particular matter which directly involves the department or agency which such person is advising or in which such department or agency is directly interested. The provisions of this section of the bill necessarily must be broader so as to not bring a member of the advisory committee who is doing business with the Federal Housing Administration within the prohibition of that section.

#### SECTION 502. AMENDMENTS OF NATIONAL BANKING ACT

By reason of the provisions of the new section 22 of the United States Housing Act of 1937, as amended (which new section is added by sec. 204\* (b) of the bill), special security features would attach to definitive bonds issued by local public housing agencies in connection with the low-rent public housing program. Special security features would also attach to short-term notes issued by local public agencies in connection with slum-clearance projects, and by public housing agencies in connection with low-rent housing projects, when secured by a pledge of rights of any such agency under its loan contract with the Government.

In recognition of these security features, section 502 (a) provides for an amendment of the National Banking Act so that national banks, and (to the extent permitted by State laws) State member banks of the Federal Reserve System, would be authorized to purchase larger amounts, and, to underwrite, local public-housing agency definitive bonds and, when adequately secured, short-term notes (which obligations shall have a maturity of not more than 18 months)

issued by local public agencies in connection with slum-clearance projects or by public-housing agencies in connection with low-rent public-housing projects. Without this amendment, investment in such obligations by these banks would continue to be subject to the same restrictions as are applicable to local public-housing agency definitive bonds, which are now issued without these special security features. In other words, they could be purchased for the banks' own account only to the extent of 10 percent of unimpaired capital and surplus.

Section 502 (b) is a technical amendment which should be made in conjunction with the amendment of the National Banking Act provided for in section 502 (a). The amendment to paragraph the seventh of section 5136 of the Revised Statutes, made by subsection 502 (a), relates only to short-term obligations when they are classified as "investment securities." However, there could arise some question as to whether some issues of these short-term notes would be investment securities or would rather partake of the nature of a loan. Therefore, it is necessary to also amend section 5200 of the Revised Statutes which prescribes the same limitations for the purchase of loans as are prescribed by section 5136 for the purchase of investment securities.

#### SECTION 503. NATIONAL HOUSING COUNCIL

This section provides that the Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### SECTION 504. AMENDMENTS OF "THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948" AND "THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949"

The Government Corporations Appropriation Acts for 1948 and for 1949 included provisos to the effect that no payments of annual contributions should be made which were occasioned by payments in lieu of taxes in excess of amounts originally contracted for. This restriction had the effect of prohibiting payments in lieu of taxes equal to 10 percent of shelter rents, as had been previously authorized by PHA, and as will be authorized in the future under subsection 205 (b) of this bill. These provisos of the two appropriation acts are therefore repealed as of the beginning of the fiscal years for which they apply, thus validating any payments already made with the approval of PHA and in other cases permitting payments in lieu of taxes on the restricted basis (generally 5 percent of shelter rents) authorized for these 2 years in subsection 205 (b).

The Government Corporations Appropriation Act for 1949 also limits the number of employees of the Public Housing Administration above grades CAF-10 and P-3 to not exceeding 20 percent of the total number of administrative employees. Under the expanded program of low-rent public housing a relatively greater number of trained technical employees will be required than were necessary under the former operations of the agency when low-rent public housing represented only a small portion of its total responsibilities.



This section also repeals this 20-percent limitation in order to permit the recruitment of the trained personnel which will be necessary to put the new program into operation.

#### SECTION 505. DEPUTY HOUSING AND HOME-FINANCE ADMINISTRATOR

This section provides for the appointment and compensation of a Deputy Housing and Home Finance Administrator who would act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and who shall perform such other duties as the Administrator shall direct.

#### SECTION 506. CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

This section permits State-aided low-rent housing or veterans' housing to be converted, under specified conditions, to low-rent housing assisted under the United States Housing Act of 1937. The conditions to such conversion are (a) a contract for State financial assistance for such project was entered into on or after January 1, 1949, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public-housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended. Its inclusion in this bill makes necessary the repeal of a similar provision contained in section 503 of the Housing Act of 1948 which applied only to projects where a State contract was made prior to January 1, 1949.

#### SECTION 507. CENSUS OF HOUSING

This section provides a permanent authorization for the Director of the Census, in the year 1950 and decennially thereafter, to take a housing census (similar to that first taken in 1940, which included information about the number, characteristics, quality, values, rentals, geographic distribution, etc.) in conjunction with and as a part of the population inquiry of the decennial census.

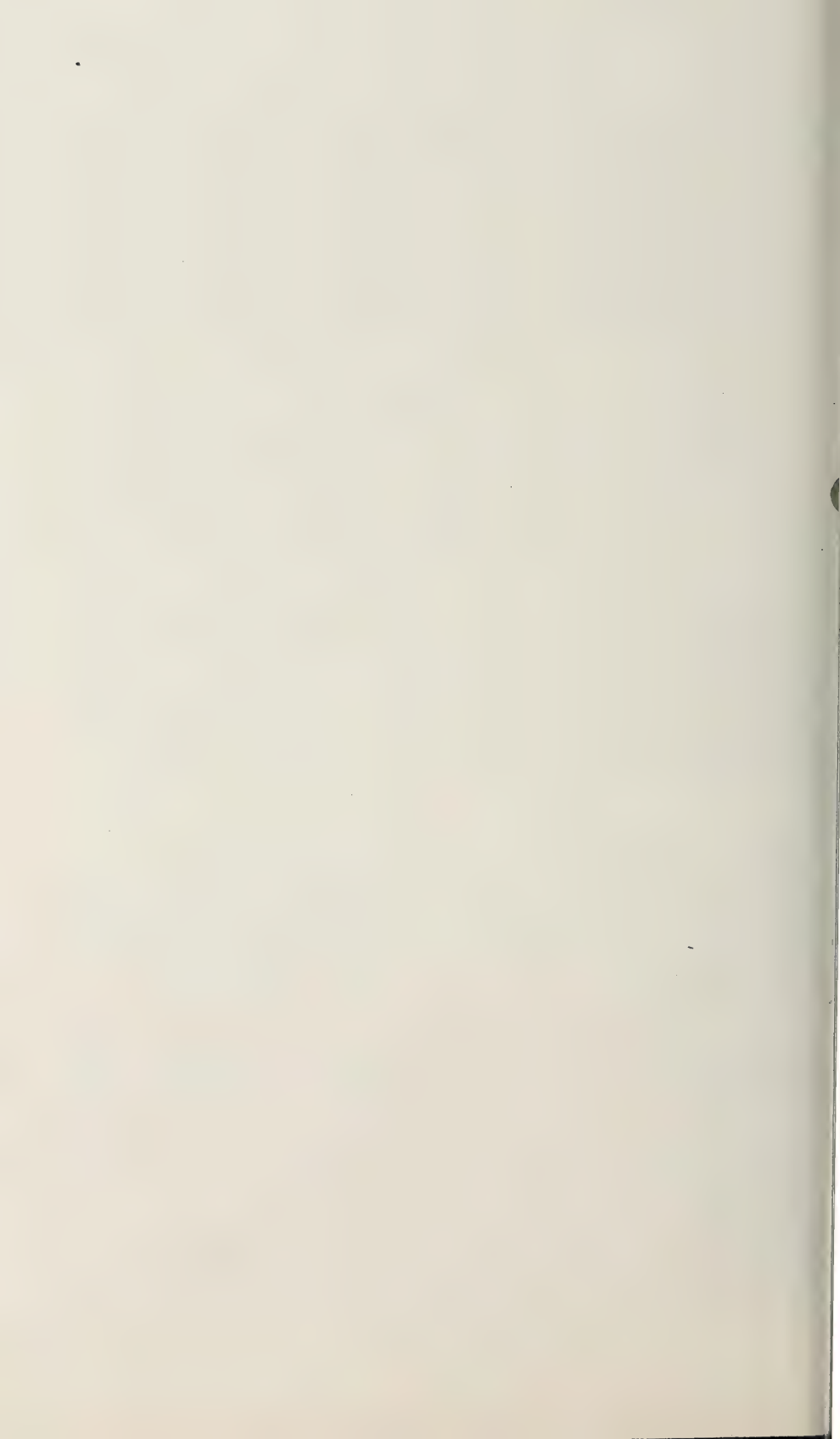
#### SECTION 508. ACT CONTROLLING

This section contains the standard provision providing that the provisions of this act shall control in the case of inconsistency with other legislation.

#### SECTION 509. SEPARABILITY

This is the usual separability clause.











81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4009

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

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## A BILL

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

1      *Be it enacted by the Senate and House of Representa-*  
2      *tives of the United States of America in Congress assembled,*  
3      That this Act may be cited as the "Housing Act of 1949".

### 4      DECLARATION OF NATIONAL HOUSING POLICY

5      SEC. 2. The Congress hereby declares that the general  
6      welfare and security of the Nation and the health and living  
7      standards of its people require housing production and re-  
8      lated community development sufficient to remedy the seri-

1   ous housing shortage, the elimination of substandard and  
2   other inadequate housing through the clearance of slums  
3   and blighted areas, and the realization as soon as feasible of  
4   the goal of a decent home and a suitable living environment  
5   for every American family, thus contributing to the develop-  
6   ment and redevelopment of communities and to the ad-  
7   vancement of the growth, wealth, and security of the  
8   Nation. The Congress further declares that such production  
9   is necessary to enable the housing industry to make its full  
10   contribution toward an economy of maximum employment,  
11   production, and purchasing power. The policy to be followed  
12   in attaining the national housing objective hereby established  
13   shall be: (1) private enterprise shall be encouraged to  
14   serve as large a part of the total need as it can; (2) gov-  
15   ernmental assistance shall be utilized where feasible to enable  
16   private enterprise to serve more of the total need; (3) ap-  
17   propriate local public bodies shall be encouraged and as-  
18   sisted to undertake positive programs of encouraging and  
19   assisting the development of well-planned, integrated resi-  
20   dential neighborhoods, the development and redevelopment  
21   of communities, and the production, at lower costs, of housing  
22   of sound standards of design, construction, livability, and  
23   size for adequate family life; (4) governmental assist-  
24   ance to eliminate substandard and other inadequate



1 housing through the clearance of slums and blighted  
2 areas, to facilitate community development and redevelop-  
3 ment, and to provide adequate housing for urban and  
4 rural nonfarm families with incomes so low that they  
5 are not being decently housed in new or existing hous-  
6 ing shall be extended to those localities which estimate  
7 their own needs and demonstrate that these needs are not  
8 being met through reliance solely upon private enterprise,  
9 and without such aid; and (5) governmental assistance  
10 for decent, safe; and sanitary farm dwellings and related  
11 facilities shall be extended where the farm owner dem-  
12 onstrates that he lacks sufficient resources to provide such  
13 housing on his own account and is unable to secure neces-  
14 sary credit for such housing from other sources on terms  
15 and conditions which he could reasonably be expected to  
16 fulfill. The Housing and Home Finance Agency and its  
17 constituent agencies, and any other departments or agencies  
18 of the Federal Government having powers, functions, or  
19 duties with respect to housing, shall exercise their powers,  
20 functions, and duties under this or any other law, consistently  
21 with the national housing policy declared by this Act and  
22 in such manner as will facilitate sustained progress in attain-  
23 ing the national housing objective hereby established, and  
24 in such manner as will encourage and assist (1) the produc-

tion of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency

1 in residential construction, and the elimination of re-  
2 strictive practices which unnecessarily increase housing  
3 costs, and (2) for preventing the spread or recurrence,  
4 in such community, of slums and blighted areas through  
5 the adoption, improvement, and modernization of local  
6 codes and regulations relating to land use and adequate  
7 standards of health, sanitation, and safety for dwelling  
8 accommodations; and

9 (b) encourage the operations of such local public  
10 agencies as are established on a State, or regional  
11 (within a State), or unified metropolitan basis or as  
12 are established on such other basis as permits such  
13 agencies to contribute effectively toward the solution  
14 of community development or redevelopment problems  
15 on a State, or regional (within a State), or unified  
16 metropolitan basis.

#### 17 LOANS

18 SEC. 102. (a) To assist local communities in eliminating  
19 their slums and blighted areas and in providing maximum  
20 opportunity for the redevelopment of project areas by  
21 private enterprise, the Administrator may make temporary  
22 and definitive loans to local public agencies for the under-  
23 taking of projects for the assembly, clearance, preparation,  
24 and sale and lease of land for redevelopment. Such loans  
25 (outstanding at any one time) shall be in such amounts



1 not exceeding the expenditures to be made by the local  
2 public agency as part of the gross project cost, bear in-  
3 terest at such rate (not less than the applicable going  
4 Federal rate), be secured in such manner, and be repaid  
5 within such period (not exceeding, in the case of definitive  
6 loans, forty years from the date of the bonds evidenc-  
7 ing such loans), as may be deemed advisable by the  
8 Administrator.

9 (b) In connection with any project on land which is  
10 open or predominantly open, the Administrator may make  
11 temporary loans to municipalities or other public bodies for  
12 the provision of public buildings or facilities necessary to  
13 serve or support the new uses of land in the project area.  
14 Such temporary loans shall be in such amounts not exceeding  
15 the expenditures to be made for such purpose, bear interest  
16 at such rate (not less than the applicable going Federal  
17 rate), be secured in such manner, and be repaid within such  
18 period (not exceeding ten years from the date of the obliga-  
19 tions evidencing such loans), as may be deemed advisable by  
20 the Administrator.

21 (c) Loans made pursuant to subsection (a) or (b)  
22 hereof may be made subject to the condition that, if at any  
23 time or times or for any period or periods during the life  
24 of the loan contract the local public agency can obtain loan  
25 funds from sources other than the Federal Govern-

1 ment at interest rates lower than provided in the loan  
2 contract, it may do so with the consent of the Admin-  
3 istrator at such times and for such periods without waiving  
4 or surrendering any rights to loan funds under the contract  
5 for the remainder of the life of such contract, and, in any  
6 such case, the Administrator is authorized to consent to a  
7 pledge by the local public agency of the loan contract,  
8 and any or all of its rights thereunder, as security for the  
9 repayment of the loan funds so obtained from other sources.

10 (d) The Administrator may make advances of funds  
11 to local public agencies for surveys and plans in prepa-  
12 ration of projects which may be assisted under this title, and  
13 the contracts for such advances of funds may be made  
14 upon the condition that such advances of funds shall  
15 be repaid, with interest at not less than the applicable going  
16 Federal rate, out of any moneys which become available  
17 to such agency for the undertaking of the project or projects  
18 involved.

19 (e) To obtain funds for loans under this title, the  
20 Administrator, on and after July 1, 1949, may, with the  
21 approval of the President, issue and have outstanding at  
22 any one time notes and obligations for purchase by the Sec-  
23 retary of the Treasury in an amount not to exceed \$25,-  
24 000,000, which limit on such outstanding amount shall be  
25 increased by \$225,000,000 on July 1, 1950, and by further

1 amounts of \$250,000,000 on July 1 in each of the years  
2 1951, 1952, and 1953, respectively: *Provided*, That (sub-  
3 ject to the total authorization of not to exceed \$1,000,-  
4 000,000) such limit, and any such authorized increase  
5 therein, may be increased, at any time or times, by not to  
6 exceed in any fiscal year an additional \$250,000,000 upon a  
7 determination by the President, after receiving advice from  
8 the Council of Economic Advisers as to the general effect of  
9 such increase upon the conditions in the building industry  
10 and upon the national economy, that such action is in the  
11 public interest.

12 (f) Notes or other obligations issued by the Admin-  
13 istrator under this title shall be in such forms and denom-  
14 inations, have such maturities, and be subject to such terms  
15 and conditions as may be prescribed by the Administrator,  
16 with the approval of the Secretary of the Treasury. Such  
17 notes or other obligations shall bear interest at a rate de-  
18 termined by the Secretary of the Treasury, taking into  
19 consideration the current average rate on outstanding mar-  
20 ketable obligations of the United States as of the last day  
21 of the month preceding the issuance of such notes or other  
22 obligations. The Secretary of the Treasury is authorized  
23 and directed to purchase any notes and other obligations  
24 of the Administrator issued under this title and for such  
25 purpose is authorized to use as a public debt transaction the



1 proceeds from the sale of any securities issued under the  
2 Second Liberty Bond Act, as amended, and the purposes  
3 for which securities may be issued under such Act, as  
4 amended, are extended to include any purchases of such  
5 notes and other obligations. The Secretary of the Treas-  
6 ury may at any time sell any of the notes or other obli-  
7 gations acquired by him under this section. All redemp-  
8 tions, purchases, and sales by the Secretary of the Treasury  
9 of such notes or other obligations shall be treated as pub-  
10 lic debt transactions of the United States.

11 (g) Obligations, including interest thereon, issued by  
12 local public agencies for projects assisted pursuant to this  
13 title, and income derived by such agencies from such projects,  
14 shall be exempt from all taxation now or hereafter imposed  
15 by the United States.

16 CAPITAL GRANTS

17 SEC. 103. (a) The Administrator may make capital  
18 grants to local public agencies to enable such agencies to  
19 make land in project areas available for redevelopment at  
20 its fair value for the uses specified in the redevelopment  
21 plans: *Provided*, That the Administrator shall not make any  
22 contract for capital grant with respect to a project which  
23 consists of open unplatted urban or suburban land. The  
24 aggregate of such capital grants with respect to all the

1 projects of a local public agency on which contracts for  
2 capital grants have been made under this title shall not  
3 exceed two-thirds of the aggregate of the net project costs  
4 of such projects, and the capital grants with respect to any  
5 individual project shall not exceed the difference between  
6 the net project cost and the local grants-in-aid actually made  
7 with respect to the project.

8 (b) The Administrator, on and after July 1, 1949,  
9 may, with the approval of the President, contract to make  
10 capital grants, with respect to projects assisted under this  
11 title, aggregating not to exceed \$100,000,000, which limit  
12 shall be increased by further amounts of \$100,000,000 on  
13 July 1 in each of the years 1950, 1951, 1952, and 1953,  
14 respectively: *Provided*, That (subject to the total authoriza-  
15 tion of not to exceed \$500,000,000) such limit, and any such  
16 authorized increase therein, may be increased, at any time  
17 or times, by not to exceed in any fiscal year an additional  
18 \$100,000,000 upon a determination by the President, after  
19 receiving advice from the Council of Economic Advisers as  
20 to the general effect of such increase upon the conditions in  
21 the building industry and upon the national economy, that  
22 such action is in the public interest. The faith of the United  
23 States is solemnly pledged to the payment of all capital  
24 grants contracted for under this title, and there are hereby  
25 authorized to be appropriated, out of any money in the Treas-

1 ury not otherwise appropriated, the amounts necessary to  
 2 provide for such payments.

### 3           REQUIREMENTS FOR LOCAL GRANTS-IN-AID           5

4       SEC. 104. Every contract for capital grant under this  
 5 title shall require local grants-in-aid in connection with the  
 6 project involved which, together with the local grants-in-aid  
 7 to be provided in connection with all other projects of the  
 8 local public agency on which contracts for capital grants  
 9 have theretofore been made, will be at least equal to one-  
 10 third of the aggregate net project costs involved (it being  
 11 the purpose of this provision and section 103 to limit the  
 12 aggregate of the capital grants made by the Administrator  
 13 with respect to all the projects of a local public agency on  
 14 which contracts for capital grants have been made under  
 15 this title to an amount not exceeding two-thirds of the dif-  
 16 ference between the aggregate of the gross project costs of  
 17 all such projects and the aggregate of the total sales prices  
 18 and capital values referred to in section 110 (f) of land in  
 19 such projects).

### 20                   LOCAL DETERMINATIONS

21       SEC. 105. Contracts for financial aid shall be made only  
 22 with a duly authorized local public agency and shall require  
 23 that—

24           (a) The redevelopment plan for the project area  
 25       be approved by the governing body of the locality



1 in which the project is situated, and that such approval  
2 include findings by the governing body that (i) the  
3 financial aid to be provided in the contract is necessary  
4 to enable the land in the project area to be redeveloped  
5 in accordance with the redevelopment plan; (ii) the  
6 redevelopment plans for the redevelopment areas in the  
7 locality will afford maximum opportunity, consistent  
8 with the sound needs of the locality as a whole, for the  
9 redevelopment of such areas by private enterprise; and  
10 (iii) the redevelopment plan conforms to a general  
11 plan for the development of the locality as a whole;

12 (b) When land acquired or held by the local public  
13 agency in connection with the project is sold or leased,  
14 the purchasers or lessees shall be obligated (i) to devote  
15 such land to the uses specified in the redevelopment plan  
16 for the project area; (ii) to begin the building of their  
17 improvements on such land within a reasonable time;  
18 and (iii) to comply with such other conditions as the  
19 Administrator finds, prior to the execution of the con-  
20 tract for loan or capital grant pursuant to this title, are  
21 necessary to carry out the purposes of this title;

22 (c) There be a feasible method for the temporary  
23 relocation of families displaced from the project area,  
24 and that there are or are being provided, in the project

1 area or in other areas not generally less desirable in  
2 regard to public utilities and public and commercial  
3 facilities and at rents or prices within the financial  
4 means of the families displaced from the project area,  
5 decent, safe, and sanitary dwellings equal in number to  
6 the number of and available to such displaced families  
7 and reasonably accessible to their places of employment:

8 *Provided*, That in view of the existing acute housing  
9 shortage, each such contract entered into prior to July  
10 1, 1951, shall further provide that there shall be no  
11 demolition of residential structures in connection with  
12 the project assisted under the contract prior to July 1,  
13 1951, if the local governing body determines that the  
14 demolition thereof would reasonably be expected to  
15 create undue housing hardship in the locality.

#### 16 GENERAL PROVISIONS

17 SEC. 106. (a) In the performance of, and with respect  
18 to, the functions, powers, and duties vested in him by this  
19 title, the Administrator, notwithstanding the provisions of  
20 any other law, shall—

21 (1) appoint a Director to administer the provisions  
22 of this title under the direction and supervision of the  
23 Administrator and the basic rate of compensation of such  
24 position shall be the same as the basic rate of compensa-

tion established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the



1 Administrator in connection with the performance of his  
2 functions under this title shall be available for any of the  
3 purposes of this title (except for capital grants pursuant to  
4 section 103 hereof), and all funds available for carrying out  
5 the functions of the Administrator under this title (including  
6 appropriations therefor, which are hereby authorized), shall  
7 be available, in such amounts as may from year to year be  
8 authorized by the Congress, for the administrative expenses  
9 of the Administrator in connection with the performance of  
10 such functions.

11 (c) In the performance of, and with respect to, the  
12 functions, powers, and duties vested in him by this title, the  
13 Administrator, notwithstanding the provisions of any other  
14 law, may—

15 (1) sue and be sued;

16 (2) foreclose on any property or commence any  
17 action to protect or enforce any right conferred upon him  
18 by any law, contract, or other agreement, and bid for  
19 and purchase at any foreclosure or any other sale any  
20 project or part thereof in connection with which he has  
21 made a loan or capital grant pursuant to this title. In  
22 the event of any such acquisition, the Administrator  
23 may, notwithstanding any other provision of law relating  
24 to the acquisition, handling, or disposal of real property  
25 by the United States, complete, administer, dispose of,

1 and otherwise deal with, such project or part thereof:

2 *Provided*, That any such acquisition of real property  
3 shall not deprive any State or political subdivision  
4 thereof of its civil jurisdiction in and over such property  
5 or impair the civil rights under the State or local laws  
6 of the inhabitants on such property;

7 (3) enter into agreements to pay annual sums in  
8 lieu of taxes to any State or local taxing authority with  
9 respect to any real property so acquired or owned, and  
10 such sums shall approximate the taxes which would be  
11 paid upon such property to the State or local taxing  
12 authority, as the case may be, if such property were  
13 not exempt from taxation;

14 (4) sell or exchange at public or private sale, or  
15 lease, real or personal property, and sell or exchange any  
16 securities or obligations, upon such terms as he may fix;

17 (5) obtain insurance against loss in connection with  
18 property and other assets held;

19 (6) subject to the specific limitations in this title,  
20 consent to the modification, with respect to rate of inter-  
21 est, time of payment of any installment of principal  
22 or interest, security, amount of capital grant, or any  
23 other term, of any contract or agreement to which he is  
24 a party or which has been transferred to him pursuant  
25 to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan



1 shall be made therefor by the public housing agency under-  
2 taking the housing project, and such amount shall be included  
3 as part of the development cost of the low-rent housing  
4 project.

#### 5 SURPLUS FEDERAL REAL PROPERTY

6 SEC. 108. The President may at any time in his dis-  
7 cretion, transfer, or cause to be transferred, to the Admin-  
8 istrator any right, title, or interest held by the Federal  
9 Government or any department or agency thereof in any  
10 land (including buildings thereon) which is surplus to the  
11 needs of the Government and which a local public agency  
12 certifies will be within the area of a project being planned  
13 by it. When such land is sold to the local public agency by  
14 the Administrator, it shall be sold at a price equal to its  
15 fair market value, and the proceeds from such sale shall be  
16 covered into the Treasury as miscellaneous receipts.

#### 17 PROTECTION OF LABOR STANDARDS

18 SEC. 109. In order to protect labor standards—

19 (a) Any contract for financial aid pursuant to  
20 this title shall contain a provision requiring that not less  
21 than the wages or fees prevailing in the locality, as deter-  
22 mined or adopted (subsequent to a determination under  
23 applicable State or local law) by the Administrator,  
24 shall be paid to all architects, technical engineers, drafts-  
25 men, technicians, laborers, and mechanics employed in

1 the development of the project involved; and the Admin-  
2 istrator may require certification as to compliance with  
3 the provisions of this paragraph prior to making any  
4 payment under such contract;

5 (b) The provisions of sections 1 and 2 of the  
6 Act of June 13, 1934 (U. S. C., title 40, secs. 276b  
7 and 276c), shall apply to any project financed in whole  
8 or in part with funds made available pursuant to this  
9 title;

10 (c) Any contractor engaged on any project fi-  
11 nanced in whole or in part with funds made available  
12 pursuant to this title shall report monthly to the Secre-  
13 tary of Labor, and shall cause all subcontractors to report  
14 in like manner, within five days after the close of each  
15 month and on forms to be furnished by the United States  
16 Department of Labor, as to the number of persons on  
17 their respective pay rolls on the particular project, the  
18 aggregate amount of such pay rolls, the total man-hours  
19 worked, and itemized expenditures for materials. Any  
20 such contractor shall furnish to the Department of Labor  
21 the names and addresses of all subcontractors on the  
22 work at the earliest date practicable.

#### 23 DEFINITIONS

24 SEC. 110. The following terms shall have the meanings,  
25 respectively, ascribed to them below, and, unless the context

1 clearly indicates otherwise, shall include the plural as well as  
2 the singular number:

3 (a) "Redevelopment area" means an area which is ap-  
4 propriate for development or redevelopment and within  
5 which a project area is located.

6 (b) "Redevelopment plan" means a plan, as it exists  
7 from time to time, for the development or redevelopment of  
8 a redevelopment or project area, which plan shall be suffi-  
9 ciently complete (1) to indicate its relationship to definite  
10 local objectives as to appropriate land uses and improved  
11 traffic, public transportation, public utilities, recreational and  
12 community facilities, and other public improvements; and  
13 (2) to indicate proposed land uses and building requirements  
14 in the project area: *Provided*, That the Administrator shall  
15 take such steps as he deems necessary to assure consistency  
16 between the redevelopment plan and any highways or other  
17 public improvements in the locality receiving financial as-  
18 sistance from the Federal Works Agency.

19 (c) "Project" may include (1) acquisition of (i) a  
20 slum area or a deteriorated or deteriorating area which is  
21 predominantly residential in character, or (ii) any other  
22 deteriorated or deteriorating area which is to be developed  
23 or redeveloped for predominantly residential uses, or (iii)  
24 platted urban or suburban land which is predominantly open  
25 and which because of obsolete platting, diversity of owner-



1 ship, deterioration of structures or of site improvements, or  
2 otherwise substantially impairs or arrests the sound growth  
3 of the community and which is to be developed for predomi-  
4 nantly residential uses, or (iv) open unplatted urban or  
5 suburban land necessary for sound community growth which  
6 is to be developed for predominantly residential uses (in  
7 which event the project thereon, as provided in the proviso  
8 of section 103 (a) hereof, shall not be eligible for any capi-  
9 tal grant); (2) demolition and removal of buildings and  
10 improvements; (3) installation, construction, or reconstruc-  
11 tion of streets, utilities, and other site improvements  
12 essential to the preparation of sites for uses in accordance  
13 with the redevelopment plan; and (4) making the land  
14 available for development or redevelopment by private  
15 enterprise or public agencies (including sale, initial leasing,  
16 or retention by the local public agency itself) at its fair value  
17 for uses in accordance with the redevelopment plan. For the  
18 purposes of this title, the term "project" shall not include the  
19 construction of any of the buildings contemplated by the  
20 redevelopment plan, and the term "redevelopment" and  
21 derivatives thereof shall mean develop as well as redevelop.  
22 For any of the purposes of section 109 hereof, the term  
23 "project" shall not include any donations or provisions made  
24 as local grants-in-aid and eligible as such pursuant to clauses  
25 (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United

1 States, or any agency or instrumentality thereof, for such  
2 work, or the construction of such improvement or facility,  
3 shall be eligible for inclusion as a local grant-in-aid in con-  
4 nection with a project or projects assisted under this title.

5 (e) "Gross project cost" shall comprise (1) the amount  
6 of the expenditures by the local public agency with respect  
7 to any and all undertakings necessary to carry out the  
8 project (including the payment of carrying charges, but  
9 not beyond the point where the project is completed), and  
10 (2) the amount of such local grants-in-aid as are furnished  
11 in forms other than cash.

12 (f) "Net project cost" shall mean the difference be-  
13 tween the gross project cost and the aggregate of (1) the  
14 total sales prices of all land sold, and (2) the total capital  
15 values (i) imputed, on a basis approved by the Adminis-  
16 trator, to all land leased, and (ii) used as a basis for deter-  
17 mining the amounts to be transferred to the project from  
18 other funds of the local public agency to compensate for any  
19 land retained by it for use in accordance with the redevelop-  
20 ment plan.

21 (g) "Going Federal rate" means the annual rate of  
22 interest (or, if there shall be two or more such rates of in-  
23 terest, the highest thereof) specified in the most recently  
24 issued bonds of the Federal Government having a maturity  
25 of ten years or more, determined at the date the contract for



1 advance of funds or for loan is made. Any contract for  
 2 loan made may be revised or superseded by a later contract,  
 3 so that the going Federal rate, on the basis of which the  
 4 interest rate on the loan is fixed, shall mean the going Fed-  
 5 eral rate, as herein defined, on the date that such contract  
 6 is revised or superseded by such later contract.

7 (h) "Local public agency" means any State, county,  
 8 municipality, or other governmental entity or public body  
 9 which is authorized to undertake the project for which assist-  
 10 ance is sought. "State" includes the several States, the Dis-  
 11 trict of Columbia, and the Territories, dependencies, and  
 12 possessions of the United States.

13 (i) "Administrator" means the Housing and Home  
 14 Finance Administrator.

## 15 TITLE II—LOW-RENT PUBLIC HOUSING

### 16 LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY

#### 17 ONLY BY LOW-INCOME FAMILIES

18 SEC. 201. The United States Housing Act of 1937, as  
 19 amended, is hereby amended by adding the following addi-  
 20 tional subsections to section 15:

21 "(7) In recognition that there should be local deter-  
 22 mination of the need for low-rent housing to meet needs  
 23 not being adequately met by private enterprise—

24 "(a) the Authority shall not make any contract  
 25 with a public housing agency for preliminary loans (all

1 of which shall be repaid out of any moneys which be-  
2 come available to such agency for the development of  
3 the projects involved) for surveys and planning in  
4 respect to any low-rent housing projects initiated after  
5 March 1, 1949, (i) unless the governing body of the  
6 locality involved has by resolution approved the appli-  
7 cation of the public housing agency for such preliminary  
8 loan; and (ii) unless the public housing agency has  
9 demonstrated to the satisfaction of the Authority that  
10 there is a need for such low-rent housing which is not  
11 being met by private enterprise; and

12 “(b) the Authority shall not make any contract for  
13 loans (other than preliminary loans) or for annual con-  
14 tributions pursuant to this Act with respect to any low-  
15 rent housing project initiated after March 1, 1949, (i)  
16 unless the governing body of the locality involved has  
17 entered into an agreement with the public housing agency  
18 providing for the local cooperation required by the  
19 Authority pursuant to this Act; and (ii) unless the  
20 public housing agency has demonstrated to the satisfac-  
21 tion of the Authority that a gap of at least 20 per centum  
22 has been left between the upper rental limits for admis-  
23 sion to the proposed low-rent housing and the lowest  
24 rents at which private enterprise unaided by public

1       subsidy is providing (through new construction and  
2       available existing structures) a substantial supply of  
3       decent, safe, and sanitary housing toward meeting the  
4       need of an adequate volume thereof.

5       “(8) Every contract made pursuant to this Act for  
6       annual contributions for any low-rent housing project initi-  
7       ated after March 1, 1949, shall provide that—

8               “(a) the public housing agency shall fix maximum  
9       income limits for the admission and for the continued  
10      occupancy of families in such housing, that such maxi-  
11      mum income limits and all revisions thereof shall be  
12      subject to the prior approval of the Authority, and that  
13      the Authority may require the public housing agency  
14      to review and to revise such maximum income limits if  
15      the Authority determines that changed conditions in the  
16      locality make such revisions necessary in achieving the  
17      purposes of this Act;

18              “(b) a duly authorized official of the public housing  
19      agency involved shall make periodic written statements  
20      to the Authority that an investigation has been made  
21      of each family admitted to the low-rent housing project  
22      involved during the period covered thereby, and that,  
23      on the basis of the report of said investigation, he has  
24      found that each such family at the time of its admission  
25      (i) had a net family income not exceeding the maximum



1 income limits theretofore fixed by the public housing  
2 agency (and approved by the Authority) for admis-  
3 sion of families of low income to such housing; and  
4 (ii) lived in an unsafe, insanitary, or overcrowded  
5 dwelling, or was to be displaced by another low-rent  
6 housing project or by a public slum-clearance or rede-  
7 velopment project, or actually was without housing,  
8 or was about to be without housing as a result  
9 of a court order of eviction, due to causes other  
10 than the fault of the tenant: *Provided*, That the re-  
11 quirement in (ii) shall not be applicable in the case  
12 of the family of any veteran or serviceman (or of any  
13 deceased veteran or serviceman) where application for  
14 admission to such housing is made not later than five  
15 years after March 1, 1949;

16 “(c) in the selection of tenants (i) the public  
17 housing agency shall not discriminate against families,  
18 otherwise eligible for admission to such housing, because  
19 their incomes are derived in whole or in part from public  
20 assistance and (ii) in initially selecting families for  
21 admission to dwellings of given sizes and at specified  
22 rents the public housing agency shall (subject to the  
23 preferences prescribed in subsection 10 (g) of this Act)  
24 give preference to families having the most urgent  
25 housing need, and thereafter, in selecting families for

admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

“(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.”

#### VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

“(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

“First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance

1 or redevelopment project, or which were so displaced  
2 within three years prior to making application to such  
3 public housing agency for admission to any low-rent  
4 housing; and as among such families where an applica-  
5 tion for admission is made not later than five years  
6 after March 1, 1949, first preference shall be given to  
7 families of disabled veterans whose disability has been  
8 determined by the Veterans' Administration to be serv-  
9 ice-connected, and second preference shall be given to  
10 families of other veterans and servicemen (including  
11 families of deceased veterans or servicemen) ;

12 "Second, to families of other veterans and service-  
13 men (including families of deceased veterans or service-  
14 men) where an application for admission is made not  
15 later than five years after March 1, 1949; and as among  
16 such families first preference shall be given to families of  
17 disabled veterans whose disability has been determined  
18 by the Veterans' Administration to be service-  
19 connected."

20 (b) By adding the following new subsection to section 2:

21 "(14) The term 'veteran' shall mean a person who has  
22 served in the active military or naval service of the United  
23 States at any time on or after September 16, 1940, and  
24 prior to July 26, 1947, and who shall have been discharged  
25 or released therefrom under conditions other than dishonor-



1 able. The term 'serviceman' shall mean a person in the  
2 active military or naval service of the United States who  
3 has served therein on or after September 16, 1940, and  
4 prior to July 26, 1947."

5

## COST LIMITS

6

SEC. 203. Subsection 15 (5) of the United States  
7 Housing Act of 1937, as amended, is hereby amended to  
8 read as follows:

9

"(5) No contract for any loan, annual contribution,  
10 or capital grant made pursuant to this Act shall be en-  
11 tered into by the Authority with respect to any low-rent  
12 housing project completed after January 1, 1948, having  
13 a cost for construction and equipment of more than \$1,750  
14 per room (excluding land, demolition, and nondwelling  
15 facilities) ; except that in the case of Alaska any such con-  
16 tract may be entered into with respect to a project having a  
17 cost for construction and equipment of not to exceed \$2,500  
18 per room (excluding land, demolition, and nondwelling  
19 facilities) : *Provided*, That if the Administrator finds that  
20 in the geographical area of any project (i) it is not feasible  
21 under the aforesaid cost limitations to construct the project  
22 without sacrifice of sound standards of construction, design,  
23 and livability, and (ii) there is an acute need for such  
24 housing, he may prescribe in such contract cost limitations  
25 which may exceed by not more than \$750 per room the

1 limitations that would otherwise be applicable to such project  
2 hereunder. The Authority shall make loans, grants, and  
3 annual contributions only for such low-rent housing projects  
4 as it finds are to be undertaken in such a manner that such  
5 projects will not be of elaborate or extravagant design or  
6 materials, and economy will be promoted both in construc-  
7 tion and administration. In order to attain the foregoing  
8 objective, every contract for financial assistance entered into  
9 with respect to any low-rent housing project initiated after  
10 March 1, 1949, shall provide that no award of the main  
11 construction contract for such project shall be made unless  
12 the Authority, taking into account the level of construction  
13 costs prevailing in the locality where such project is to be  
14 located, shall have specifically approved the amount of such  
15 main construction contract.”

16 PRIVATE FINANCING

17 SEC. 204. In order to stimulate increasing private  
18 financing of low-rent housing projects, the United States  
19 Housing Act of 1937, as amended, is hereby amended as  
20 follows:

21 (a) The last proviso of subsection (b) of section 10 is  
22 repealed, and subsection (f) of said section is amended to  
23 read as follows:

24 “(f) Payments under annual contributions contracts  
25 shall be pledged as security for any loans obtained by a

1 public housing agency to assist the development or acqui-  
 2 tion of the housing project to which the annual contributions  
 3 relate.”;

4 (b) The following is added after section 21:

5 “PRIVATE FINANCING

6 “SEC. 22. To facilitate the enlistment of private capital  
 7 through the sale by public housing agencies of their bonds  
 8 and other obligations to others than the Authority, in financ-  
 9 ing low-rent housing projects, and to maintain the low-rent  
 10 character of housing projects—

11 “(a) Every contract for annual contributions (includ-  
 12 ing contracts which amend or supersede contracts previously  
 13 made) may provide that—

14 “(1) upon the occurrence of a substantial default  
 15 in respect to the covenants or conditions to which the  
 16 public housing agency is subject (as such substantial  
 17 default shall be defined in such contract), the public  
 18 housing agency shall be obligated at the option of the  
 19 Authority, either to convey title in any case where, in  
 20 the determination of the Authority (which determina-  
 21 tion shall be final and conclusive), such conveyance of  
 22 title is necessary to achieve the purposes of this Act, or  
 23 to deliver possession to the Authority of the project, as  
 24 then constituted, to which such contract relates;

25 “(2) the Authority shall be obligated to reconvey or



1 to redeliver possession of the project, as constituted at the  
2 time of reconveyance or redelivery, to such public hous-  
3 ing agency or to its successor (if such public housing  
4 agency or a successor exists) upon such terms as shall  
5 be prescribed in such contract and as soon as practicable:

6 (i) after the Authority shall be satisfied that all defaults  
7 with respect to the project have been cured, and that the  
8 project will, in order to fulfill the purposes of this Act,  
9 thereafter be operated in accordance with the terms of  
10 such contract; or (ii) after the termination of the obli-  
11 gation to make annual contributions available unless  
12 there are any obligations or covenants of the public hous-  
13 ing agency to the Authority which are then in default.

14 Any prior conveyances and reconveyances, deliveries  
15 and redeliveries of possession shall not exhaust the right  
16 to require a conveyance or delivery of possession of the  
17 project to the Authority pursuant to subparagraph (1),  
18 upon the subsequent occurrence of a substantial default.

19 “(b) Whenever such contract for annual contributions  
20 shall include provisions which the Authority, in said con-  
21 tract, determines are in accordance with subsection (a)  
22 hereof, and the annual contributions, pursuant to such con-  
23 tract, have been pledged by the public housing agency as  
24 security for the payment of the principal and interest on

1 any of its obligations, the Authority (notwithstanding any  
2 other provisions of this Act) shall continue to make annual  
3 contributions available for the project so long as any of  
4 such obligations remain outstanding, and may covenant in  
5 such contract (in lieu of the provision required by the first  
6 sentence of subsection 15 (3) of this Act) that in any event  
7 such annual contributions shall in each year be at least equal  
8 to an amount which, together with such income or other  
9 funds as are actually available from the project for the pur-  
10 pose at the time such annual contribution is made, will suffice  
11 for the payment of all installments, falling due within the  
12 next succeeding twelve months, of principal and interest on  
13 the obligations for which the annual contributions provided  
14 for in the contract shall have been pledged as security:  
15 *Provided*, That such annual contributions shall not be in  
16 excess of the maximum sum determined pursuant to the  
17 provisions of this Act; and in no case shall such annual  
18 contributions be in excess of the maximum sum specified  
19 in the contract involved, nor for longer than the remainder  
20 of the maximum period fixed by the contract.”;

21 (c) In the fourth sentence of section 9 the words “going  
22 Federal rate at the time the loan is made,” are deleted, in  
23 the first proviso of subsection 10 (b) the words “going  
24 Federal rate of interest at the time such contract is made”  
25 are deleted, and in lieu thereof in each case there are sub-

stituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than  $2\frac{1}{2}$  per centum";

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contribu-



1 tions for a period not exceeding forty years from the date  
2 the first annual contribution for the project is paid, such  
3 loans shall bear interest at a rate not less than the applicable  
4 going Federal rate.”;

5 (e) Subsection 10 (c) is amended by striking out the  
6 period at the end of the last sentence and adding a colon  
7 and the following: “*Provided, That, in the case of projects*  
8 *initiated after March 1, 1949, contracts for annual con-*  
9 *tributions shall not be made for a period exceeding forty*  
10 *years from the date the first annual contribution for the*  
11 *project is paid: And provided further, That, in the case of*  
12 *such projects or any other projects with respect to which*  
13 *the contracts for annual contributions (including contracts*  
14 *which amend or supersede contracts previously made) pro-*  
15 *vide for annual contributions for a period not exceeding forty*  
16 *years from the date the first annual contribution for the*  
17 *project is paid, the fixed contribution may exceed the amount*  
18 *provided in the first proviso of subsection (b) of this sec-*  
19 *tion by 1 per centum of development or acquisition cost.”;*

20 (f) The first sentence of subsection 10 (c) is amended  
21 to read as follows: “Every contract for annual contribu-  
22 tions shall provide that whenever in any year the receipts  
23 of a public housing agency in connection with a low-rent  
24 housing project exceed its expenditures (including debt serv-  
25 ice, administration, maintenance, establishment of reserves,

1 and other costs and charges), an amount equal to such ex-  
2 cess shall be applied, or set aside for application, to purposes  
3 which, in the determination of the Authority, will effect a  
4 reduction in the amount of subsequent annual contributions.”;

5 (g) Section 14 is amended by inserting the following  
6 after the first sentence: “When the Authority finds that it  
7 would promote economy or be in the financial interest of the  
8 Federal Government, any contract heretofore or hereafter  
9 made for annual contributions, loans, or both, may, with  
10 Presidential approval, be amended or superseded by a con-  
11 tract of the Authority so that the going Federal rate on the  
12 basis of which such annual contributions or interest rate on  
13 the loans, or both, respectively, are fixed shall mean the  
14 going Federal rate, as herein defined, on the date of Presi-  
15 dential approval of such amending or superseding contract:  
16 *Provided*, That contracts may not be amended or superseded  
17 in a manner which would impair the rights of the holders of  
18 any outstanding obligations of the public housing agency in-  
19 volved for which annual contributions have been pledged.”;

20 (h) Section 20 is amended to read as follows:

21 “SEC. 20. The Authority may issue and have outstand-  
22 ing at any one time notes and other obligations for purchase  
23 by the Secretary of the Treasury in an amount not to exceed  
24 \$1,500,000,000. Such notes or other obligations shall be

1 in such forms and denominations, shall have such maturities,  
2 and shall be subject to such terms and conditions as may be  
3 prescribed by the Authority with the approval of the Secre-  
4 tary of the Treasury. Such notes or other obligations shall  
5 bear interest at a rate determined by the Secretary of the  
6 Treasury, taking into consideration the current average rate  
7 on outstanding marketable obligations of the United States  
8 as of the last day of the month preceding the issuance of the  
9 notes or other obligations by the Authority. The Secretary  
10 of the Treasury is authorized and directed to purchase any  
11 notes or other obligations of the Authority issued hereunder  
12 and for such purpose is authorized to use as a public debt  
13 transaction the proceeds from the sale of any securities issued  
14 under the Second Liberty Bond Act, as amended, and the  
15 purposes for which securities may be issued under such Act,  
16 as amended, are extended to include any purchases of such  
17 obligations. The Secretary of the Treasury may at any time  
18 sell any of the notes or other obligations acquired by him  
19 under this section. All redemptions, purchases, and sales  
20 by the Secretary of the Treasury of such notes or other obli-  
21 gations shall be treated as public debt transactions of the  
22 United States.”;

23 (i) Subsection 2 (5) is amended to read as follows:

24 “(5) The term ‘development’ means any or all



1        undertakings necessary for planning, land acquisition,  
2        demolition, construction, or equipment, in connection  
3        with a low-rent housing project. The term 'develop-  
4        ment cost' shall comprise the costs incurred by a public  
5        housing agency in such undertakings and their neces-  
6        sary financing (including the payment of carrying  
7        charges, but not beyond the point of physical comple-  
8        tion), and in otherwise carrying out the development of  
9        such project. Construction activity in connection with  
10       a low-rent housing project may be confined to the recon-  
11       struction, remodeling, or repair of existing buildings.”;  
12       and

13       (j) The following additional subsection is added to  
14       section 15:

15                “(9) Any contract for loans or annual contribu-  
16       tions, or both, entered into by the Authority with a  
17       public housing agency, may cover one or more than one  
18       low-rent housing project owned by said public housing  
19       agency; in the event such contract covers two or more  
20       projects, such projects may, for any of the purposes of  
21       this Act and of such contract (including, but not limited  
22       to, the determination of the amount of the loan, annual  
23       contributions, or payments in lieu of taxes, specified in  
24       such contract), be treated collectively as one project.”

## ANNUAL CONTRIBUTIONS

2        SEC. 205. The United States Housing Act of 1937, 'as  
3 amended, is hereby amended as follows:

4 (a) By inserting the following after the first sentence  
5 of subsection (e) of section 10: "With respect to projects  
6 assisted pursuant to this Act, the Authority (in addition  
7 to the amount authorized by the first sentence of this sub-  
8 section) is authorized, with the approval of the President,  
9 to enter into contracts, on and after July 1, 1949, for annual  
10 contributions aggregating not more than \$85,000,000 per  
11 annum, which limit shall be increased by further amounts of  
12 \$80,000,000 on July 1 in each of the years 1950, 1951,  
13 and 1952, respectively, and by \$75,000,000 on July 1,  
14 1953: *Provided*, That (subject to the total additional  
15 authorization of not more than \$400,000,000 per annum)  
16 such limit, and any such authorized increase therein, may  
17 be increased at any time or times by not to exceed in  
18 any fiscal year an additional amount of \$80,000,000 upon  
19 a determination by the President, after receiving advice  
20 from the Council of Economic Advisers as to the general  
21 effect of such increase upon conditions in the building  
22 industry and upon the national economy, that such action  
23 is in the public interest: *And provided further*, That 10  
24 per centum of each amount of authorization to enter into  
25 contracts for annual contributions becoming available here-

1 under shall, for a period of three years after such amount  
2 of authorization becomes available, be available only for  
3 annual contributions contracts with respect to projects to  
4 be located in rural nonfarm areas. With respect to projects  
5 initiated after March 1, 1949, the Authority may authorize  
6 the commencement of construction of not to exceed one  
7 hundred and fifty thousand dwelling units after July 1,  
8 1949, which limit shall be increased by further amounts  
9 of one hundred and fifty thousand dwelling units on July 1  
10 in each of the years 1950 through and including 1955,  
11 respectively: *Provided*, That (subject to the authorization  
12 of not to exceed one million and fifty thousand dwelling  
13 units) such limit, and any such authorized increase therein,  
14 may be increased at any time or times by not to exceed  
15 in any fiscal year an additional one hundred thousand dwell-  
16 ing units, or may be decreased at any time or times by  
17 not to exceed in any fiscal year one hundred thousand  
18 dwelling units, upon a determination by the President,  
19 after receiving advice from the Council of Economic Ad-  
20 visers as to the general effect of such increase or decrease  
21 upon conditions in the building industry and upon the  
22 national economy, that such action is in the public inter-  
23 est: *And provided further*, That contracts for annual contri-  
24 butions with respect to low-rent housing projects initiated  
25 after March 1, 1949, shall not provide for the develop-

1 ment of more than one million and fifty thousand dwelling  
2 units without further authorization from the Congress.”;  
3 and

4 (b) By deleting the third sentence of subsection 10 (a)  
5 and adding the following new subsection to section 10:

6 “(h) Every contract made pursuant to this Act for  
7 annual contributions for any low-rent housing project  
8 initiated after March 1, 1949, shall provide that no annual  
9 contributions by the Authority shall be made available for  
10 such project unless such project is exempt from all real and  
11 personal property taxes levied or imposed by the State, city,  
12 county, or other political subdivisions, but such contract may  
13 authorize the public housing agency to make payments in  
14 lieu of such taxes in an annual amount not in excess of 10 per  
15 centum of the annual shelter rents charged in such project:  
16 *Provided*, That, with respect to any such project to be  
17 located in any State where, by reason of constitutional limi-  
18 tations or otherwise, such project is not exempt from all real  
19 and personal property taxes levied or imposed by the State,  
20 city, county, or other political subdivision, such contract may  
21 provide, in lieu of the requirement for tax exemption, that  
22 no annual contributions by the Authority shall be made avail-  
23 able for such project unless and until the State, city, county,  
24 or other political subdivision in which such project is situ-



1 ated shall contribute, in the form of cash, at least 20 per  
2 centum of the annual contributions paid by the Authority.  
3 In respect to low-rent housing projects initiated prior to  
4 March 1, 1949, the Authority may, after the effective date  
5 of the Housing Act of 1949, authorize payments in lieu of  
6 taxes for each of the project fiscal years in respect to which  
7 annual contributions were payable during the two-year  
8 period ending June 30, 1949, in amounts which, together  
9 with amounts already paid, will not exceed the greater of  
10 either (i) 5 per centum of the shelter rents charged in such  
11 projects for each of such project fiscal years, or (ii) the  
12 amounts specified in the cooperation agreements in effect  
13 July 1, 1947, between the public housing agencies and the  
14 political subdivisions in which the projects are located, or in  
15 the ordinances or resolutions of such political subdivisions in ef-  
16 fect on such date. In respect to such low-rent housing projects  
17 initiated prior to March 1, 1949, the contracts for annual con-  
18 tributions may be amended as to project fiscal years in respect  
19 to which annual contributions are payable on or after July 1,  
20 1949, so as to require exemption from real and personal prop-  
21 erty taxes in lieu of any other requirements as to local con-  
22 tributions and to permit payments in lieu of taxes on the terms  
23 prescribed in the first sentence of this subsection; in the event  
24 that the contracts for annual contributions are not so amended,

1 payments in lieu of taxes in respect to such project fiscal years  
2 shall be limited to the amount specified in the cooperation  
3 agreements or ordinances or resolutions in effect July 1, 1947."

4 SPECIAL PROVISIONS FOR LARGE FAMILIES OF  
5 LOW INCOME

6 SEC. 206. In order to enable low-rent housing to bet-  
7 ter serve the needs of large families of low income, the  
8 United States Housing Act of 1937, as amended, is hereby  
9 amended by deleting the second sentence of subsection  
10 2 (1) and substituting therefor the following: "The dwell-  
11 ings in low-rent housing as defined in this Act shall be  
12 available solely for families whose net annual income at  
13 the time of admission, less an exemption of \$100 for each  
14 minor member of the family other than the head of the  
15 family and his spouse, does not exceed five times the  
16 annual rental (including the value or cost to them of water,  
17 electricity, gas, other heating and cooking fuels, and other  
18 utilities) of the dwellings to be furnished such families.  
19 For the sole purpose of determining eligibility for continued  
20 occupancy, a public housing agency may allow, from the  
21 net income of any family, an exemption for each minor  
22 member of the family (other than the head of the family  
23 and his spouse) of either (a) \$100, or (b) all or any  
24 part of the annual income of such minor. For the purposes

1 of this subsection, a minor shall mean a person less than 21  
2 years of age.”

3 TECHNICAL AMENDMENTS

4 SEC. 207. The United States Housing Act of 1937, as  
5 amended, is hereby amended as follows:

6 (a) By deleting from section 1 the words “rural or  
7 urban communities” and by substituting therefor the words  
8 “urban and rural nonfarm areas”;

9 (b) (1) By adding at the end of subsection 2 (11)  
10 the following new sentence: “The Authority shall enter into  
11 contracts for financial assistance with a State or State  
12 agency where such State or State agency makes applica-  
13 tion for such assistance for an eligible project which, under  
14 the applicable laws of the State, is to be developed and  
15 administered by such State or State agency.”; and

16 (2) By adding the following new subsection to sec-  
17 tion 2:

18 “(15) The term ‘initiated’ when used in reference  
19 to the date on which a project was initiated refers to  
20 the date of the first contract for financial assistance in  
21 respect to such project entered into by the Authority  
22 and the public housing agency.”;

23 (c) By adding to section 6 the following new sub-  
24 section:

1       “(e) With respect to all projects under title II of  
2 Public Law 671, Seventy-sixth Congress, approved June 28,  
3 1940, references therein to the United States Housing Act  
4 of 1937, as amended, shall include all amendments to said  
5 Act made by the Housing Act of 1949 or by any other  
6 law thereafter enacted.”;

7       (d) By deleting the proviso in subsection 10 (a) and  
8 the proviso in subsection 11 (a), and in each case changing  
9 the colon preceding the word “*Provided*” to a period;

10       (e) By amending the second sentence of subsection 13  
11 (a) to read as follows: “The Authority may bid for and  
12 purchase at any foreclosure by any party or at any other  
13 sale, or (pursuant to section 22 or otherwise) acquire  
14 or take possession of any project which it previously  
15 owned or in connection with which it has made a loan,  
16 annual contribution, or capital grant; and in such event the  
17 Authority may complete, administer, pay the principal of  
18 and interest on any obligations issued in connection with  
19 such project, dispose of, and otherwise deal with, such proj-  
20 ects or parts thereof, subject, however, to the limitations  
21 elsewhere in this Act governing their administration and  
22 disposition.”;

23       (f) By amending subsection 16 (2) by inserting after  
24 the words “contain a provision requiring that” the words  
25 “not less than”;



1 (g) By amending subsection 21 (d) to read as follows:

2 “(d) Not more than 10 per centum of the total annual  
3 amount of \$428,000,000 provided in this Act for annual  
4 contributions, nor more than 10 per centum of the amounts  
5 provided for in this Act for grants, shall be expended within  
6 any one State.”; and

7 (h) By renumbering sections 22 to 30, inclusive, so  
8 that they become sections 23 to 31, inclusive.

9 TITLE III—HOUSING RESEARCH

10 SEC. 301. Title III of Public Law 901, Eightieth  
11 Congress, approved August 10, 1948, is hereby amended  
12 to read as follows:

13 “SEC. 301. The Housing and Home Finance Admin-  
14 istrator shall—

15 “(a) Undertake and conduct a program with respect  
16 to technical research and studies concerned with the de-  
17 velopment, demonstration, and promotion of the acceptance  
18 and application of new and improved techniques, materials,  
19 and methods which will permit progressive reductions in  
20 housing construction and maintenance costs, and stimulate  
21 the increased and sustained production of housing, and con-  
22 cerned with housing economics and other housing market  
23 data. Such program may be concerned with improved and  
24 standardized building codes and regulations and methods for  
25 the more uniform administration thereof, standardized dimen-

1 sions and methods for the assembly of home-building mate-  
2 rials and equipment, improved residential design and con-  
3 struction, new and improved types of housing components,  
4 building materials and equipment, and methods of produc-  
5 tion, distribution, assembly, and construction, and sound  
6 techniques for the testing thereof and for the determination of  
7 adequate performance standards, and may relate to appraisal,  
8 credit, and other housing market data, housing needs, demand  
9 and supply, finance and investment, land costs, use and im-  
10 provement, site planning and utilities, zoning and other  
11 laws, codes, and regulations as they apply to housing, other  
12 factors affecting the cost of housing, and related technical  
13 and economic research. Contracts may be made by the  
14 Administrator for technical research and studies authorized  
15 by this subsection for work to continue not more than four  
16 years from the date of any such contract. Notwithstanding  
17 the provisions of section 5 of the Act of June 20, 1874, as  
18 amended (31 U. S. C. 713), any unexpended balances of  
19 appropriations properly obligated by contracting with an  
20 organization as provided in this subsection may remain upon  
21 the books of the Treasury for not more than five fiscal years  
22 before being carried to the surplus fund and covered into  
23 the Treasury. All contracts made by the Administrator for

1 technical research and studies authorized by this or any other  
2 Act shall contain requirements making the results of such  
3 research or studies available to the public through dedi-  
4 cation, assignment to the Government, or such other means  
5 as the Administrator shall determine. The Administrator  
6 shall disseminate, and without regard to the provisions of 39  
7 United States Code 321b, the results of such research and  
8 studies in such form as may be most useful to industry and  
9 to the general public.

10 “(b) Prepare and submit to the President and to the  
11 Congress estimates of national urban and rural nonfarm  
12 housing needs and reports with respect to the progress  
13 being made toward meeting such needs, and correlate and  
14 recommend proposals for such executive action or legis-  
15 lation as may be necessary or desirable for the furtherance of  
16 the national housing objective and policy established by this  
17 Act, with respect to urban and rural nonfarm housing, to-  
18 gether with such other reports or information as may be  
19 required of the Administrator by the President or the  
20 Congress.

21 “(c) Encourage localities to make studies of their own  
22 housing needs and markets, along with surveys and plans  
23 for housing, urban land use and related community develop-

1 ment, and provide, where requested and needed by the  
2 localities, technical advice and guidance in the making of  
3 such studies, surveys, and plans.

4 "SEC. 302. In carrying out research and studies under  
5 this title, the Administrator shall utilize, to the fullest extent  
6 feasible, the available facilities of other departments, inde-  
7 pendent establishments, and agencies of the Federal Govern-  
8 ment, and shall consult with, and make recommendations to,  
9 such departments, independent establishments, and agencies  
10 with respect to such action as may be necessary and desirable  
11 to overcome existing gaps and deficiencies in available hous-  
12 ing data or in the facilities available for the collection  
13 of such data. The Administrator is further authorized, for  
14 the purposes of this title, to undertake research and studies  
15 cooperatively with industry and labor, and with agen-  
16 cies of State or local governments, and educational institu-  
17 tions and other nonprofit organizations. For the purpose  
18 of entering into contracts with any State or local public  
19 agency or instrumentality, or educational institution or other  
20 nonprofit agency or organization, in carrying out any re-  
21 search or studies authorized by this title, the Administrator  
22 may exercise any of the powers vested in him by section 502  
23 (c) of the Housing Act of 1948.

24 "SEC. 303. There are hereby authorized to be appro-



1 priated such sums as may be necessary to carry out the pur-  
2 poses of this title.”

### 3 TITLE IV—FARM HOUSING

#### 4 FINANCIAL ASSISTANCE BY THE SECRETARY OF

#### 5 AGRICULTURE

6 SEC. 401. (a) The Secretary of Agriculture (herein-  
7 after referred to as the “Secretary”) is authorized, subject  
8 to the terms and conditions of this title, to extend financial  
9 assistance, through the Farmers Home Administration, to  
10 owners of farms in the United States and in the Territories  
11 of Alaska and Hawaii and in Puerto Rico and the Virgin  
12 Islands, to enable them to construct, improve, alter, repair,  
13 or replace dwellings and other farm buildings on their farms  
14 to provide them, their tenants, lessees, sharecroppers, and  
15 laborers with decent, safe, and sanitary living conditions  
16 and adequate farm buildings as specified in this title.

17 (b) For the purpose of this title, the term “farm”  
18 shall mean a parcel or parcels of land operated as a single  
19 unit which is used for the production of one or more agri-  
20 cultural commodities and which customarily produces or  
21 is capable of producing such commodities for sale and for  
22 home use of a gross annual value of not less than the  
23 equivalent of a gross annual value of \$400 in 1944, as  
24 determined by the Secretary. The Secretary shall promptly

1 determine whether any parcel or parcels of land constitute  
2 a farm for the purposes of this title whenever requested to  
3 do so by any interested Federal, State, or local public agency,  
4 and his determination shall be conclusive.

5 (c) In order to be eligible for the assistance authorized  
6 by paragraph (a), the applicant must show (1) that he is  
7 the owner of a farm which is without a decent, safe, and  
8 sanitary dwelling for himself and his family and necessary  
9 resident farm labor, or for the family of the operating  
10 tenant, lessee, or sharecropper, or without other farm build-  
11 ings adequate for the type of farming in which he engages  
12 or desires to engage; (2) that he is without sufficient re-  
13 sources to provide the necessary housing and buildings on  
14 his own account; and (3) that he is unable to secure the  
15 credit necessary for such housing and buildings from other  
16 sources upon terms and conditions which he could reason-  
17 ably be expected to fulfill.

18 LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE  
19 FARMS

20 SEC. 402. (a) If the Secretary determines that an  
21 applicant is eligible for assistance as provided in section  
22 401 and that the applicant has the ability to repay in  
23 full the sum to be loaned, with interest, giving due con-  
24 sideration to the income and earning capacity of the appli-  
25 cant and his family from the farm and other sources, and

1 the maintenance of a reasonable standard of living for the  
2 owner and the occupants of said farm, a loan may be made  
3 by the Secretary to said applicant for a period of not to  
4 exceed thirty-three years from the making of the loan with  
5 interest at a rate not to exceed 4 per centum per annum  
6 on the unpaid balance of principal.

7 (b) The instruments under which the loan is made  
8 and the security given shall—

9 (1) provide for security upon the applicant's equity  
10 in the farm and such additional security or collateral,  
11 if any, as may be found necessary by the Secretary  
12 reasonably to assure repayment of the indebtedness;

13 (2) provide for the repayment of principal and  
14 interest in accordance with schedules and repayment  
15 plans prescribed by the Secretary;

16 (3) contain the agreement of the borrower that he  
17 will, at the request of the Secretary, proceed with dili-  
18 gence to refinance the balance of the indebtedness  
19 through cooperative or other responsible private credit  
20 sources whenever the Secretary determines, in the light  
21 of the borrower's circumstances, including his earning  
22 capacity and the income from the farm, that he is able  
23 to do so upon reasonable terms and conditions;

24 (4) be in such form and contain such covenants  
25 as the Secretary shall prescribe to secure the payment

1 of the loan with interest, protect the security, and assure  
2 that the farm will be maintained in repair and that waste  
3 and exhaustion of the farm will be prevented.

4 LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY  
5 ADEQUATE FARMS

6 SEC. 403. If the Secretary determines (a) that, because  
7 of the inadequacy of the income of an eligible applicant from  
8 the farm to be improved and from other sources, said ap-  
9 plicant may not reasonably be expected to make annual  
10 repayments of principal and interest in an amount sufficient  
11 to repay the loan in full within the period of time prescribed  
12 by the Secretary as authorized in this title; (b) that the  
13 income of the applicant may be sufficiently increased within  
14 a period of not to exceed ten years by improvement or en-  
15 largement of the farm or an adjustment of the farm practices  
16 or methods; and (c) that the applicant has adopted and may  
17 reasonably be expected to put into effect a plan of farm  
18 improvement, enlargement, or adjusted practices which, in  
19 the opinion of the Secretary, will increase the applicant's  
20 income from said farm within a period of not to exceed ten  
21 years to the extent that the applicant may be expected there-  
22 after to make annual repayments of principal and interest  
23 sufficient to repay the balance of the indebtedness less pay-  
24 ments in cash and credits for the contributions to be made  
25 by the Secretary as hereinafter provided, the Secretary may



1 make a loan in an amount necessary to provide adequate  
2 farm dwellings and buildings on said farm under the terms  
3 and conditions prescribed in section 402. In addition, the  
4 Secretary may agree with the borrower to make annual  
5 contributions during the said ten-year period in the form of  
6 credits on the borrower's indebtedness in an amount not to  
7 exceed the annual installment of interest and 50 per centum  
8 of the principal payments accruing during any installment  
9 year up to and including the tenth installment year, subject  
10 to the conditions that the borrower's income is, in fact,  
11 insufficient to enable the borrower to make payments in  
12 accordance with the plan or schedule prescribed by the  
13 Secretary and that the borrower pursues his plan of farm  
14 reorganization and improvements or enlargement with due  
15 diligence.

16 This agreement with respect to credits of principal and  
17 interest upon the borrower's indebtedness shall not be assign-  
18 able nor accrue to the benefit of any third party without the  
19 written consent of the Secretary and the Secretary shall have  
20 the right, at his option, to cancel the agreement upon the  
21 sale of the farm or the execution or creation of any lien there-  
22 on subsequent to the lien given to the Secretary, or to refuse  
23 to release the lien given to the Secretary except upon pay-  
24 ment in cash of the entire original principal plus accrued  
25 interest thereon less actual cash payments of principal and

1 interest when the Secretary determines that the release of the  
2 lien would permit the benefits of this section to accrue to a  
3 person not eligible to receive such benefits.

4 OTHER SPECIAL LOANS AND GRANTS FOR MINOR  
5 IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

6 SEC. 404. In the event the Secretary determines that an  
7 eligible applicant cannot qualify for a loan under the pro-  
8 visions of sections 402 and 403 and that repairs or improve-  
9 ments should be made to a farm dwelling occupied by him,  
10 or his tenants, lessees, sharecroppers, or laborers, in order to  
11 make such dwelling safe and sanitary and remove hazards to  
12 the health of the occupant, his family, or the community, and  
13 that repairs should be made to farm buildings in order to  
14 remove hazards and make such buildings safe, the Secretary  
15 may make a grant or a combined loan and grant, to the  
16 applicant to cover the cost of improvements or additions,  
17 such as repairing roofs, providing toilet facilities, providing  
18 a convenient and sanitary water supply, supplying screens,  
19 repairing or providing structural supports, or making other  
20 similar repairs or improvements. No assistance shall be ex-  
21 tended to any one individual under the provisions of this  
22 section in the form of a loan or grant or combination thereof  
23 in excess of \$1,000 for any one farm or dwelling or building  
24 owned by such individual, or in excess of \$2,000 in the  
25 aggregate to any one such individual, and the grant portion

1 with respect to any one farm or dwelling or building shall  
2 not exceed \$500. Any portion of the sums advanced to the  
3 borrower treated as a loan shall be secured and be repayable  
4 in accordance with the principles and conditions set forth in  
5 this title. Sums made available by grant may be made sub-  
6 ject to the conditions set out in this title for the protection of  
7 the Government with respect to contributions made on loans  
8 by the Secretary. In the case of such loan or grant with  
9 respect to a farm not occupied by the owner of the land,  
10 the Secretary may, as a condition precedent to the grant,  
11 require that the landowner enter into such stipulations and  
12 agreements with the Secretary and the occupants of the farm  
13 as will make it possible for the occupant to obtain the full  
14 benefits of the grant.

15 MORATORIUM ON PAYMENTS UNDER LOANS

16 SEC. 405. During any time that any such loan is out-  
17 standing, the Secretary is authorized under regulations to be  
18 prescribed by him to grant a moratorium upon the payment  
19 of interest and principal on such loan for so long a period  
20 as he deems necessary, upon a showing by the borrower that  
21 due to circumstances beyond his control, he is unable to con-  
22 tinue making payments of such principal and interest when  
23 due without unduly impairing his standard of living. In  
24 cases of extreme hardship under the foregoing circumstances,  
25 the Secretary is further authorized to cancel interest due and

1 payable on such loans during the moratorium. Should any  
2 foreclosure of such a mortgage securing such a loan upon  
3 which a moratorium has been granted occur, no deficiency  
4 judgment shall be taken against the mortgagor if he shall  
5 have faithfully tried to meet his obligation.

6 TECHNICAL SERVICES AND RESEARCH

7 SEC. 406. (a) In connection with financial assistance  
8 authorized in sections 401 to 404, inclusive, the Secretary  
9 shall require that all new buildings and repairs financed  
10 under this title shall be substantially constructed and in  
11 accordance with such building plans and specifications as  
12 may be required by the Secretary. Buildings and repairs  
13 constructed with funds advanced pursuant to this title shall  
14 be supervised and inspected, as may be required by the Sec-  
15 retary, by competent employees of the Secretary. In addition  
16 to the financial assistance authorized in sections 401 to 404,  
17 inclusive, the Secretary is authorized to furnish, through  
18 such agencies as he may determine, to any person, including  
19 a person eligible for financial assistance under this title,  
20 without charge or at such charges as the Secretary may deter-  
21 mine, technical services such as building plans, specifications,  
22 construction supervision and inspection, and advice and  
23 information regarding farm dwellings and other buildings.  
24 The Secretary is further authorized to conduct research and  
25 technical studies including the development, demonstration,



1 and promotion of construction of adequate farm dwellings  
2 and other buildings for the purposes of stimulating con-  
3 struction, improving the architectural design and utility  
4 of such dwellings and buildings, utilizing new and native  
5 materials, economies in materials and construction methods,  
6 new methods of production, distribution, assembly, and con-  
7 struction, with a view to reducing the cost of farm dwellings  
8 and buildings and adapting and developing fixtures and  
9 appurtenances for more efficient and economical farm use.

10 (b) The Secretary of Agriculture shall prepare and  
11 submit to the President and to the Congress estimates of  
12 national farm housing needs and reports with respect to the  
13 progress being made toward meeting such needs, and corre-  
14 late and recommend proposals for such executive action or  
15 legislation necessary or desirable for the furtherance of the  
16 national housing objective and policy established by this Act  
17 with respect to farm housing, together with such other reports  
18 or information as may be required of the Secretary by the  
19 President or the Congress.

20 PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED

21 SERVICEMEN

22 SEC. 407. As between eligible applicants seeking assist-  
23 ance under this title, the Secretary shall give preference to  
24 veterans and the families of deceased servicemen. As used  
25 herein, a "veteran" shall be a person who served in the land

1 or naval forces of the United States during any war between  
2 the United States and any other nation and who shall have  
3 been discharged or released therefrom on conditions other  
4 than dishonorable. "Deceased servicemen" shall mean men  
5 or women who served in the land or naval forces of the  
6 United States during any war between the United States  
7 and any other nation and who died in service before the  
8 termination of such war.

9 LOCAL COMMITTEES TO ASSIST SECRETARY

10 SEC. 408. (a) For the purposes of this subsection and  
11 subsection (b) of this section, the Secretary may use the  
12 services of any existing committee of farmers operating (pur-  
13 suant to laws or regulations carried out by the Department of  
14 Agriculture) in any county or parish in which activities are  
15 carried on under this title. In any county or parish in  
16 which activities are carried on under this title and in which  
17 no existing satisfactory committee is available, the Secretary  
18 is authorized to appoint a committee composed of three per-  
19 sons residing in the county or parish. Each member of  
20 such existing or newly appointed committee shall be allowed  
21 compensation at the rate of \$5 per day while engaged in the  
22 performance of duties under this title and, in addition, shall  
23 be allowed such amounts as the Secretary may prescribe for  
24 necessary traveling and subsistence expenses. One member  
25 of the committee shall be designated by the Secretary as

1 chairman. The Secretary shall prescribe rules governing  
2 the procedures of the committees, furnish forms and equip-  
3 ment necessary for the performance of their duties, and  
4 authorize and provide for the compensation of such clerical  
5 assistance as he deems may be required by any committee.

6 (b) The committees utilized or appointed pursuant to  
7 this section shall examine applications of persons desiring  
8 to obtain the benefits of this title and shall submit recom-  
9 mendations to the Secretary with respect to each applicant  
10 as to whether the applicant is eligible to receive the benefits  
11 of this title, whether by reason of his character, ability, and  
12 experience, he is likely successfully to carry out undertakings  
13 required of him under a loan or grant under this title,  
14 and whether the farm with respect to which the application is  
15 made is of such character that there is a reasonable likeli-  
16 hood that the making of the loan or grant requested will  
17 carry out the purposes of this title. The committees shall  
18 also certify to the Secretary their opinions of the reasonable  
19 values of the farms. The committees shall, in addition, per-  
20 form such other duties under this title as the Secretary may  
21 require.

#### 22 GENERAL POWERS OF SECRETARY

23 SEC. 409. (a) The Secretary, for the purposes of this  
24 title, shall have the power to determine and prescribe the  
25 standards of adequate farm housing and other buildings, by

1 farms or localities, taking into consideration, among other  
2 factors, the type of housing which will provide decent, safe,  
3 and sanitary dwelling for the needs of the family using the  
4 housing, the type and character of the farming operations  
5 to be conducted, and the size and earning capacity of the  
6 land.

7 (b) The Secretary may require any recipient of a loan  
8 or grant to agree that the availability of improvements con-  
9 structed or repaired with the proceeds of the loan or grant  
10 under this title shall not be a justification for directly or  
11 indirectly changing the terms or conditions of the lease or  
12 occupancy agreement with the occupants of such farms to  
13 the latter's disadvantage without the approval of the  
14 Secretary.

15 ADMINISTRATIVE PROVISIONS

16 SEC. 410. In carrying out the provisions of this title, the  
17 Secretary shall have the power to—

18 (a) make contracts for services and supplies with-  
19 out regard to the provisions of section 3709 of the  
20 Revised Statutes, as amended, when the aggregate  
21 amount involved is less than \$300;

22 (b) enter into subordination, subrogation, or other  
23 agreements satisfactory to the Secretary;

24 (c) compromise claims and obligations arising out  
25 of sections 402 to 405, inclusive, of this title and adjust



1 and modify the terms of mortgages, leases, contracts,  
2 and agreements entered into as circumstances may re-  
3 quire, including the release from personal liability, with-  
4 out payments of further consideration, of—

5 (1) borrowers who have transferred their farms  
6 to other approved applicants for loans who have  
7 agreed to assume the outstanding indebtedness to  
8 the Secretary under this title; and

9 (2) borrowers who have transferred their  
10 farms to other approved applicants for loans who  
11 have agreed to assume that portion of the outstand-  
12 ing indebtedness to the Secretary under this title  
13 which is equal to the earning capacity value of the  
14 farm at the time of the transfer, and borrowers  
15 whose farms have been acquired by the Secretary,  
16 in cases where the Secretary determines that the  
17 original borrowers have cooperated in good faith  
18 with the Secretary, have farmed in a workman-  
19 like manner, used due diligence to maintain the  
20 security against loss, and otherwise fulfilled the  
21 covenants incident to their loans, to the best of  
22 their abilities;

23 (d) collect all claims and obligations arising out of  
24 or under any mortgage, lease, contract, or agreement  
25 entered into pursuant to this title and, if in his judgment

1        necessary and advisable, to pursue the same to final  
2        collection in any court having jurisdiction: *Provided,*  
3        That the prosecution and defense of all litigation under  
4        this title shall be conducted under the supervision of the  
5        Attorney General and the legal representation shall be  
6        by the United States attorneys for the districts, respec-  
7        tively, in which such litigation may arise and by such  
8        other attorney or attorneys as may, under law, be  
9        designated by the Attorney General;

10        (e) bid for and purchase at any foreclosure or other  
11        sale or otherwise to acquire the property pledged or  
12        mortgaged to secure a loan or other indebtedness owing  
13        under this title, to accept title to any property so pur-  
14        chased or acquired, to operate or lease such property  
15        for such period as may be necessary or advisable, to pro-  
16        tect the interest of the United States therein and to  
17        sell or otherwise dispose of the property so purchased  
18        or acquired by such terms and for such considerations  
19        as the Secretary shall determine to be reasonable and  
20        to make loans as provided herein to provide adequate  
21        farm dwellings and buildings for the purchasers of such  
22        property;

23        (f) utilize with respect to the indebtedness arising  
24        from loans and payments made under this title, all the  
25        powers and authorities given to him under the Act

1 approved December 20, 1944, entitled "An Act to  
2 authorize the Secretary of Agriculture to compromise,  
3 adjust, or cancel certain indebtedness, and for other  
4 purposes" (58 Stat. 836), as such Act now provides or  
5 may hereafter be amended;

6 (g) make such rules and regulations as he deems  
7 necessary to carry out the purposes of this title.

#### 8 LOAN FUNDS

9 SEC. 411. The Secretary may issue notes and other ob-  
10 ligations for purchase by the Secretary of the Treasury in  
11 such sums as the Congress may from time to time determine  
12 to make loans under this title not in excess of \$25,000,000  
13 on and after July 1, 1949, an additional \$50,000,000 on  
14 and after July 1, 1950, an additional \$75,000,000 on and  
15 after July 1, 1951, and an additional \$100,000,000 on and  
16 after July 1, 1952. The notes and obligations issued by the  
17 Secretary shall be secured by the obligations of borrowers  
18 and the Secretary's commitments to make contributions  
19 under this title and shall be repaid from the payment of  
20 principal and interest on the obligations of the borrowers  
21 and from funds appropriated hereunder. The notes and  
22 other obligations issued by the Secretary shall be in such  
23 forms and denominations, shall have such maturities, and  
24 shall be subject to such terms and conditions as may be  
25 prescribed by the Secretary with the approval of the Sec-

1   retary of the Treasury. Such notes or obligations shall  
2   bear interest at a rate determined by the Secretary of  
3   the Treasury, taking into consideration the current average  
4   rate on outstanding marketable obligations of the United  
5   States as of the last day of the month preceding the  
6   issuance of the notes or obligations by the Secretary. The  
7   Secretary of the Treasury is authorized and directed to  
8   purchase any notes and other obligations of the Secre-  
9   tary issued hereunder and for such purpose is authorized  
10   to use as a public debt transaction the proceeds from the  
11   sale of any securities issued under the Second Liberty  
12   Bond Act, as amended, and the purposes for which securi-  
13   ties may be issued under such Act are extended to include  
14   any purchases of such obligations. The Secretary of the  
15   Treasury may at any time sell any of the notes or obliga-  
16   tions acquired by him under this section. All redemp-  
17   tions, purchases, and sales by the Secretary of the Treasury  
18   of such notes or obligations shall be treated as public debt  
19   transactions of the United States.

20

## CONTRIBUTIONS

21       SEC. 412. In connection with loans made pursuant to  
22   section 403, the Secretary is authorized, on and after July  
23   1, 1949, to make commitments for contributions aggregating  
24   not to exceed \$500,000 per annum and to make additional  
25   commitments, on and after July 1 of each of the years 1950,



1 1951, and 1952, respectively, which shall require addi-  
2 tional contributions aggregating not more than \$1,000,000,  
3 \$1,500,000, and \$2,000,000 per annum, respectively.

4 SEC. 413. There is hereby authorized to be appropriated  
5 to the Secretary (a) such sums as may be necessary to  
6 meet payments on notes or other obligations issued by the  
7 Secretary under section 411 equal to (i) the aggregate of the  
8 contributions made by the Secretary in the form of credits  
9 on principal due on loans made pursuant to section 403, and  
10 (ii) the interest due on a similar sum represented by notes  
11 or other obligations issued by the Secretary; (b) an addi-  
12 tional \$1,000,000 for grants pursuant to section 404 on and  
13 after July 1, 1949, which amount shall be increased by fur-  
14 ther amounts of \$2,500,000, \$4,000,000, and \$5,000,000  
15 on July 1 of each of the years 1950, 1951, and 1952, re-  
16 spectively; and (c) such further sums as may be necessary  
17 to enable the Secretary to carry out the provisions of this title.

## 18 TITLE V—MISCELLANEOUS PROVISIONS

### 19 ADVISORY COMMITTEES

20 SEC. 51. The Housing and Home Finance Adminis-  
21 trator may appoint such advisory committee or committees  
22 as he may deem necessary in carrying out his functions,  
23 powers, and duties, under this or any other Act. Service as  
24 a member of any such committee shall not constitute any

1 form of service or employment within the provisions of  
2 sections 281, 283, or 284 of title 18 United States Code.

3 AMENDMENTS OF NATIONAL BANKING ACT

4 SEC. 502. (a) The last sentence of paragraph Seventh of  
5 section 5136 of the Revised Statutes, as amended, is amended  
6 by inserting before the colon, after the words "obligations  
7 of national mortgage associations", a comma and the follow-  
8 ing: "or such obligations of any local public agency (as  
9 defined in section 110 (h) of the Housing Act of 1949) as  
10 are secured by an agreement between the local public agency  
11 and the Housing and Home Finance Administrator in which  
12 the local public agency agrees to borrow from said Adminis-  
13 trator, and said Administrator agrees to lend to said local  
14 public agency, prior to the maturity of such obligations  
15 (which obligations shall have a maturity of not more  
16 than eighteen months), monies in an amount which  
17 (together with any other monies irrevocably committed  
18 to the payment of interest on such obligations) will  
19 suffice to pay the principal of such obligations with  
20 interest to maturity thereon, which monies under the  
21 terms of said agreement are required to be used for the  
22 purpose of paying the principal of and the interest on such  
23 obligations at their maturity, or such obligations of a public  
24 housing agency (as defined in the United States Housing

1 Act of 1937, as amended) as are secured either (1) by an  
2 agreement between the public housing agency and the Public  
3 Housing Administration in which the public housing agency  
4 agrees to borrow from the Public Housing Administration,  
5 and the Public Housing Administration agrees to lend to the  
6 public housing agency, prior to the maturity of such obliga-  
7 tions (which obligations shall have a maturity of not more  
8 than eighteen months), moneys in an amount which  
9 (together with any other moneys irrevocably com-  
10 mitted to the payment of interest on such obligations)  
11 will suffice to pay the principal of such obligations  
12 with interest to maturity thereon, which moneys under  
13 the terms of said agreement are required to be used  
14 for the purpose of paying the principal of and the in-  
15 terest on such obligations at their maturity, or (2) by a  
16 pledge of annual contributions under an annual contributions  
17 contract between such public housing agency and the Public  
18 Housing Administration if such contract shall contain the  
19 covenant by the Public Housing Administration which is  
20 authorized by subsection (b) of section 22 of the United  
21 States Housing Act of 1937, as amended, and if the maxi-  
22 mum sum and the maximum period specified in such con-  
23 tract pursuant to said subsection 22 (b) shall not be less  
24 than the annual amount and the period for payment which



1 are requisite to provide for the payment when due of all in-  
2 stallments of principal and interest on such obligations”.

3 (b) Section 5200 of the Revised Statutes, as amended,  
4 is amended by adding at the end thereof the following:

5 “(11) Obligations of a local public agency (as  
6 defined in section 110 (h) of the Housing Act of 1949)  
7 or of a public housing agency (as defined in the United  
8 States Housing Act of 1937, as amended) which have  
9 a maturity of not more than eighteen months shall not  
10 be subject under this section to any limitation, if such  
11 obligations are secured by an agreement between the  
12 obligor agency and the Housing and Home Finance  
13 Administrator or the Public Housing Administration in  
14 which the agency agrees to borrow from the Admin-  
15 istrator or Administration, and the Administrator or  
16 Administration agrees to lend to the agency, prior to the  
17 maturity of such obligations, moneys in an amount which  
18 (together with any other moneys irrevocably committed  
19 to the payment of interest on such obligations) will suf-  
20 fice to pay the principal of such obligations with interest  
21 to maturity, which moneys under the terms of said  
22 agreement are required to be used for that purpose.”.

23 NATIONAL HOUSING COUNCIL

24 SEC. 503. The Secretary of Labor or his designee, and  
25 the Federal Security Administrator or his designee, shall



1 hereafter be included in the membership of the National  
2 Housing Council in the Housing and Home Finance Agency.

3 AMENDMENTS OF THE GOVERNMENT CORPORATIONS  
4 APPROPRIATION ACT, 1948, AND THE GOVERNMENT  
5 CORPORATIONS APPROPRIATION ACT, 1949

6 SEC. 504. (a) The second proviso in the paragraph  
7 under the heading "Federal Public Housing Authority" in  
8 title I of the Government Corporations Appropriation Act,  
9 1948, is hereby repealed as of July 1, 1947.

10 (b) The second proviso in the paragraph under the  
11 heading "Public Housing Administration" in title I of the  
12 Government Corporations Appropriation Act, 1949, is here-  
13 by repealed as of July 1, 1948.

14 (c) The first proviso in the paragraph under the sub-  
15 heading "Public Housing Administration" in title II of the  
16 Government Corporations Appropriation Act, 1949, is  
17 hereby repealed.

18 DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

19 SEC. 505. The Housing and Home Finance Adminis-  
20 trator shall appoint a Deputy Housing and Home Finance  
21 Administrator, and the basic rate of compensation of such  
22 position shall be the same as the basic rate of compensation  
23 established for the heads of the constituent agencies of the  
24 Housing and Home Finance Agency. The Deputy Admin-  
25 istrator shall act as Administrator during the absence or

1 disability of the Administrator or in the event of a vacancy  
2 in that office, and shall perform such other duties as the  
3 Administrator shall direct.

4 CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING  
5 PROJECTS

6 SEC. 506. Any low-rent or veterans' housing project  
7 undertaken or constructed under a program of a State or  
8 any political subdivision thereof shall be approved as a low-  
9 rent housing project under the terms of the United States  
10 Housing Act of 1937, as amended, if (a) a contract for  
11 State financial assistance for such project was entered into  
12 on or after January 1, 1948, and prior to January 1, 1950,  
13 (b) the project is or can become eligible for assistance by  
14 the Public Housing Administration in the form of loans  
15 and annual contributions under the provisions of the United  
16 States Housing Act of 1937, as amended, and (c) the State  
17 or the public housing agency operating the project in the  
18 State makes application to the Public Housing Administra-  
19 tion for Federal assistance for the project under the terms  
20 of the United States Housing Act of 1937, as amended:  
21 *Provided*, That loans made by the Public Housing Admin-  
22 istration for the purpose of so converting the project to a  
23 project with Federal assistance shall be deemed, for the  
24 purposes of the provisions of section 9 and other sections of  
25 the United States Housing Act of 1937, to be loans to assist

1 the development of the project. Section 503 of the Housing  
2 Act of 1948 is hereby repealed.

3 CENSUS OF HOUSING

4 SEC. 507. (a) The Director of the Census is author-  
5 ized and directed to take a census of housing in each State,  
6 the District of Columbia, Hawaii, Puerto Rico, the Virgin  
7 Islands, and Alaska, in the year 1950 and decennially  
8 thereafter in conjunction with, at the same time, and as a  
9 part of the population inquiry of the decennial census in  
10 order to provide information concerning the number, char-  
11 acteristics (including utilities and equipment), and geo-  
12 graphical distribution of dwelling units in the United States.  
13 The Director of the Census is authorized to collect such sup-  
14 plementary statistics (either in advance of or after the taking  
15 of such census) as are necessary to the completion thereof.

16 (b) All of the provisions, including penalties, of the  
17 Act providing for the fifteenth and subsequent decennial  
18 censuses, approved June 18, 1929, as amended (U. S. C.,  
19 title 13, ch. 4), shall apply to the taking of the census  
20 provided for in subsection (a) of this section.

21 ACT CONTROLLING

22 SEC. 508. Insofar as the provisions of any other law  
23 are inconsistent with the provisions of this Act, the provisions  
24 of this Act shall be controlling.

1

## SEPARABILITY

2        SEC. 509. Except as may be otherwise expressly pro-  
3        vided in this Act, all powers and authorities conferred by this  
4        Act shall be cumulative and additional to and not in deroga-  
5        tion of any powers and authorities otherwise existing. Not-  
6        withstanding any other evidences of the intention of  
7        Congress, it is hereby declared to be the controlling intent  
8        of Congress that if any provisions of this Act, or the applica-  
9        tion thereof to any persons or circumstances, shall be ad-  
10       judged by any court of competent jurisdiction to be invalid,  
11       such judgment shall not affect, impair, or invalidate the re-  
12       mainder of this Act or its applications to other persons and  
13       circumstances, but shall be confined in its operation to the  
14       provisions of this Act or the application thereof to the per-  
15       sons and circumstances directly involved in the controversy  
16       in which such judgment shall have been rendered.





81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4009

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## A BILL

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To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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By Mr. SPENCE

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APRIL 4, 1949

Referred to the Committee on Banking and Currency







amended by inserting after section 204 thereof a new section as follows:

"Sec. 204a. (1) All actions at law by common carriers by motor vehicle subject to this part for the recovery of their charges, or any part thereof, shall be begun within 2 years from the time the cause of action accrues, and not after.

"(2) For recovery of overcharges, action at law shall be begun against common carriers by motor vehicle subject to this part within 2 years from the time the cause of action accrues, and not after, subject to paragraph (3) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the 2-year period of limitation said period shall be extended to include 6 months from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.

"(3) If on or before expiration of the 2-year period of limitation in paragraph (2) a common carrier by motor vehicle subject to this part begins action under paragraph (1) for recovery of charges in respect of the same transportation service, or without beginning action, collects charges in respect of that service, said period of limitation shall be extended to include 90 days from the time such action is begun or such charges are collected by the carrier.

"(4) The cause of action in respect of a shipment of property shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the carrier, and not after.

"(5) The term 'overcharges' as used in this section shall be deemed to mean charges for transportation services in excess of those applicable thereto under the tariffs lawfully on file with the Commission.

"(6) The provisions of this section shall apply only to cases in which the cause of action may accrue after the date of the enactment of this section."

Sec. 2. Subsection (a) of section 308 of the Interstate Commerce Act, as amended, is hereby amended to read as follows:

"(a) For the purposes of this section the term 'carrier' means a common carrier by water."

Sec. 3. (a) Subsection (f) (1) of section 308 of the Interstate Commerce Act, as amended, is hereby amended to read as follows:

"(1) (A) All actions at law by carriers subject to this part for the recovery of their charges, or any part thereof, shall be begun within 2 years from the time the cause of action accrues, and not after.

"(B) All complaints against carriers for the recovery of damages not based on overcharges shall be filed with the Commission within 2 years from the time the cause of action accrues, and not after, subject to subdivision (D).

"(C) For the recovery of overcharges action at law shall be begun or complaint filed with the Commission against carriers subject to this part within 2 years from the time the cause of action accrues, and not after, subject to subdivision (D), except that if claim for the overcharge has been presented in writing to the carrier within the 2-year period of limitation said period shall be extended to include 6 months from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.

"(D) If on or before expiration of the 2-year period of limitation in subdivision (B) or the 2-year period of limitation in subdivision (C) a carrier subject to this part begins action under subdivision (A) for recovery of charges in respect of the same transportation service, or, without beginning action, collects charges in respect of that service, said period of limitation shall be

extended to include 90 days from the time such action is begun or such charges are collected by the carrier."

(b) The amendments made by subsection (a) of this section shall apply only to cases in which the cause of action may accrue after the date of the enactment of this act.

Sec. 4. Paragraph (5) of subsection (f) of section 308 of the Interstate Commerce Act, as amended, is hereby repealed.

Sec. 5. Part IV of the Interstate Commerce Act, as amended, is hereby amended by inserting after section 406 thereof a new section as follows:

"Sec. 406a. (1) All actions at law by freight forwarders subject to this part for the recovery of their charges, or any part thereof, shall be begun within 2 years from the time the cause of action accrues, and not after.

"(2) For recovery of overcharges action at law shall be begun against freight forwarders subject to this part within 2 years from the time the cause of action accrues, and not after, subject to paragraph (3) of this section, except that if claim for the overcharge has been presented in writing to the freight forwarder within the 2-year period of limitation said period shall be extended to include 6 months from the time notice in writing is given by the freight forwarder to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.

"(3) If on or before expiration of the 2-year period of limitation in paragraph (2) a freight forwarder subject to this part begins action under paragraph (1) for recovery of charges in respect of the same service, or, without beginning action, collects charges in respect of that service, said period of limitation shall be extended to include 90 days from the time such action is begun or such charges are collected by the freight forwarder.

"(4) The cause of action in respect of a shipment of property shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the freight forwarder, and not after.

"(5) The term 'overcharges' as used in this section shall be deemed to mean charges for service in excess of those applicable thereto under the tariffs lawfully on file with the Commission.

"(6) The provisions of this section shall apply only to cases in which the cause of action may accrue after the date of the enactment of this section."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS PASSED OVER

The bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, by request, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 110) to broaden the cooperative extension system as established in the act of May 8, 1914, and acts supplemental thereto, by providing for cooperative extension work between col-

leges receiving the benefits of this act and the acts of July 2, 1862, and August 30, 1890, and other qualified colleges, universities, and research agencies, and the United States Department of Labor was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. DONNELL. Mr. President, I object.

The VICE PRESIDENT. The bill will be passed over.

#### BENEFITS FOR CERTAIN MEMBERS OF RESERVE COMPONENTS OF ARMED FORCES

The bill (S. 213) to provide benefits for members of the Reserve components of the armed forces who suffer disability or death in active-duty training for periods of less than 30 days or while engaged in inactive-duty training was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LODGE. Mr. President, may we have an explanation of the bill?

Mrs. SMITH of Maine. Mr. President, the bill proposes exactly what the title says, to provide benefits for members of the reserve components of the armed forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training. It also includes the National Guard.

The thought behind the bill is that we must build up the Reserve if we ever intend to decrease the expense of our Regular Military Establishment. Up to date the young men who are serving in the Reserve, training for periods of less than 30 days, have not been permitted full coverage for disabilities incurred because of accidents or otherwise. It seems to me that they should be given the same consideration as those who are training for periods longer than 30 days.

In short, the bill proposes to give the same disability coverage to reservists and national guardsmen injured or killed while serving their country in peacetime as the Regulars now enjoy. Under present law they are not accorded the same protection that Regulars receive unless they are on active-duty orders for more than 30 days.

Mr. LODGE. I thank the Senator from Maine.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with amendments, on page 2, line 7, after the word "perform", to insert "active duty for training or"; in line 13, after the word "compensation", to insert "death gratuity"; and after the word "pay", to strike out "and"; in line 14, after the word "benefits", to insert "and pay and allowances"; and in line 21, to strike out "United States Employees' Compensation Commission", and insert "Bureau of Employees' Compensation, Federal Security Agency"; on page 3, in line 2, after the word "re-



ceive", to strike out the colon and the words "Provided further, That this section shall be effective from September 8, 1939", in line 10, after "United States", to insert "or the Air Force of the United States"; in line 12, after "Army", to insert "or the Regular Air Force"; in line 16, after "days", to strike out "(other than for service with the Civilian Conservation Corps)"; and in line 21, after the word "perform", to insert "active duty for training or"; on page 4, in line 2, after the word "compensation", to insert "death gratuity"; in line 3, after the word "pay", to strike out "and"; and after the word "benefits" to insert "and pay and allowances"; in line 4, after the word "law", to insert "or regulation"; in line 6, after the word "Army", to insert "or the Regular Air Force"; beginning in line 8, to strike out:

Sec. 3. The amendments made by the preceding sections of this act shall take effect as of August 14, 1945. No back pay, pension, compensation, or retirement pay shall be held to have accrued as a result of the enactment of this act prior to the date on which it is enacted.

And insert:

Sec. 3. All officers, warrant officers, and enlisted men of the National Guard of the United States, both ground and air, the federally recognized National Guard of the several States, Territories, and the District of Columbia—

(1) if engaged for periods in excess of 30 days in any type of training or active duty under sections 5, 81, 92, 94, 97, or 99 of the National Defense Act, as amended, suffer disability or death in line of duty from disease while so engaged; or

(2) if engaged for any period of time in any type of training or active duty under such sections of the National Defense Act, as amended, suffer disability or death in line of duty from injury while so employed, shall be in all respects entitled to receive the same pensions, compensation, death gratuity, retirement pay, hospital benefits, and pay and allowances as are now or may hereafter be provided by law or regulation for officers and enlisted men of corresponding grades and length of service of the Regular Army.

Sec. 4. The provisions of this act shall be effective from August 14, 1945, but no back pay, pension, compensation, death gratuity, or retirement pay shall be held to have accrued as the result of the enactment of this act for any period prior to such date: *Provided*, That in the case of persons electing to receive the benefits of this act, the amount of any monetary benefits received for any period subsequent to August 14, 1945, under any provisions of law providing benefits for disability or death incident to the service described in sections 1, 2, and 3 of this act, shall be deducted from the monetary benefits provided for herein.

Sec. 5. Nothing contained in this act shall be construed to deprive any person of any benefits to which he was entitled prior to its enactment.

Sec. 6. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

So as to make the bill read:

Be it enacted, etc., That section 4 of the Naval Aviation Personnel Act of 1940, as amended (U. S. C., title 34, sec. 855c-1), is amended to read as follows:

"Sec. 4. All officers, nurses, warrant officers, and enlisted men of the United States Naval Reserve or United States Marine Corps Reserve, who—

(1) if called or ordered into active naval or military service by the Federal Govern-

ment for extended naval or military service in excess of 30 days, suffer disability or death in line of duty from disease while so employed; or

(2) if called or ordered by the Federal Government to active naval or military service or to perform active duty for training or inactive-duty training for any period of time, suffer disability or death in line of duty from injury while so employed;

shall be deemed to have been in the active naval service during such period, and they or their beneficiaries shall be in all respects entitled to receive the same pensions, compensation, death gratuity, retirement pay, hospital benefits, and pay and allowances as are now or may hereafter be provided by law or regulation for officers, warrant officers, nurses, and enlisted men of corresponding grades and length of service of the Regular Navy or Marine Corps: *Provided*, That is a person who is eligible for the benefits prescribed by this act be also eligible for pension under the provisions of the act of June 23, 1937 (50 Stat. 305); compensation from the Bureau of Employees' Compensation, Federal Security Agency, under the provisions of section 304 of the Naval Reserve Act of 1938 (52 Stat. 1181) or retired pay under the provision of section 310 of the Naval Reserve Act of 1938 (52 Stat. 1183), he shall elect which benefit he shall receive."

Sec. 2. The last proviso to section 5 of the act entitled "An act to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress," approved April 3, 1939, as amended, is amended to read as follows: "*Provided further*, That all officers, warrant officers, and enlisted men of the Army of the United States, or the Air Force of the United States, other than the officers and enlisted men of the Regular Army, or the Regular Air Force who—

(1) if called or ordered into the active military service by the Federal Government for extended military service in excess of 30 days suffer disability or death in line of duty from disease while so employed; or

(2) if called or ordered by the Federal Government to active military service or to perform active duty for training or inactive-duty training for any period of time, suffer disability or death in line of duty from injury while so employed,

shall be deemed to have been in the active military service during such period and shall be in all respects entitled to receive the same pensions, compensation, death gratuity, retirement pay, hospital benefits, and pay and allowances as are now or may hereafter be provided by law or regulation for officers and enlisted men of corresponding grades and length of service of the Regular Army or the Regular Air Force."

Sec. 3. All officers, warrant officers, and enlisted men of the National Guard of the United States, both ground and air, the federally recognized National Guard of the several States, Territories, and the District of Columbia—

(1) if engaged for periods in excess of 30 days in any type of training or active duty under sections 5, 81, 92, 94, 97, or 99 of the National Defense Act, as amended, suffer disability or death in line of duty from disease while so engaged; or

(2) if engaged for any period of time in any type of training or active duty under such sections of the National Defense Act, as amended, suffer disability or death in line of duty from injury while so employed, shall be in all respects entitled to receive the same pensions, compensation, death gratuity, retirement pay, hospital benefits, and pay and allowances as are now or may hereafter be provided by law or regulation for officers and enlisted men of corresponding grades and length of service of the Regular Army.

Sec. 4. The provisions of this act shall be effective from August 14, 1945, but no back pay, pension, compensation, death gratuity, or retirement pay shall be held to have accrued as the result of the enactment of this act for any period prior to such date: *Provided*, That in the case of persons electing to receive the benefits of this act, the amount of any monetary benefits received for any period subsequent to August 14, 1945, under any provisions of law providing benefits for disability or death incident to the service described in sections 1, 2, and 3 of this act, shall be deducted from the monetary benefits provided for herein.

Sec. 5. Nothing contained in this act shall be construed to deprive any person of any benefits to which he was entitled prior to its enactment.

Sec. 6. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### REFORESTATION AND REVEGETATION OF CERTAIN LANDS IN NATIONAL FORESTS

The joint resolution (S. J. Res. 53) to provide for the reforestation and revegetation of the forest and range lands of the national forests, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. RUSSELL. Mr. President, may we have an explanation of the joint resolution?

Mr. ANDERSON. Mr. President, this joint resolution follows a series of recommendations by congressional committees and by others in regard to reforestation and replanting of sections of the public range.

Two years ago an investigation was conducted by the Barrett committee of the House of Representatives. It visited a number of the western areas and complained that the stockmen were having their grazing areas reduced, and suggested that that would not be necessary if the Department of Agriculture would undertake a replanting program.

Mr. President, I ask unanimous consent to have printed in the Record at this point two tables, one showing the acreage of planting in each State, and the other showing the amount of revegetation which is proposed.

There being no objection, the tables were ordered to be printed in the Record, as follows:

Initial planting program.<sup>1</sup> on national forest lands by States (as of March 1949)

State	Non-stocked land	Under-stocked land	Total
	<i>Acre</i>	<i>Acre</i>	<i>Acre</i>
Alabama.....	60,000	10,000	70,000
Arizona.....	13,000	-----	13,000
Arkansas.....	35,000	-----	40,000
California.....	314,000	271,000	585,000
Colorado.....	70,000	8,000	78,000
Florida.....	90,000	6,000	96,000
Georgia.....	1,500	-----	1,500
Idaho.....	456,000	20,000	476,000
Illinois.....	12,000	2,000	14,000
Indiana.....	10,000	-----	10,000
Kentucky.....	10,000	-----	10,000
Louisiana.....	10,000	6,000	16,000

<sup>1</sup> Includes both areas to be planted and areas to be seeded to tree species.







81ST CONGRESS  
1ST SESSION

# S. 1070

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IN THE SENATE OF THE UNITED STATES

APRIL 12 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz: On page 28, and after line 11, insert the following:

- 1       (9) In recognition of the fact that public policy requires
- 2 equality of treatment of all people and prohibits discrimina-
- 3 tion or segregation on account of race, color, creed, national
- 4 origin, or ancestry in regard to public housing, every con-
- 5 tract made pursuant to this Act for annual contributions for
- 6 any low-rent housing project initiated after March 1, 1949,

1 shall provide that the housing project to which the contract  
2 refers shall be operated without discrimination or segregation.  
3 Any person who in the management or operation of such  
4 housing discriminates or attempts to discriminate against any  
5 person, family, or group of people on account of race, creed,  
6 or color shall be guilty of a violation of this section and shall  
7 be punished by a fine of not more than \$1,000 or imprison-  
8 ment for not more than one year, or both such fine and  
9 imprisonment. Any citizen or organization may enjoin the  
10 violation of this section in any court, State or Federal, of  
11 competent jurisdiction.



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## AMENDMENT

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Intended to be proposed by Mr. BRICKER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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APRIL 12 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed



# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 12 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz: On page 28, line 11, insert the following:

- 1           LOW INCOME FAMILY AMENDMENT
- 2       SEC. (11) (a) No housing owned and operated by
- 3 the United States or by a local public housing authority
- 4 which is assisted by annual or other contributions from the
- 5 United States (except housing for military, naval, air force,
- 6 or other Government personnel) and no such housing the
- 7 rental of which is subsidized or assisted by the United States

1 shall be originally occupied by any person or family having  
2 an aggregate income from all sources in excess of \$1,500  
3 per annum if located in a county or parish having a popu-  
4 lation of more than one hundred thousand persons, or by  
5 any person or family having an aggregate income from all  
6 sources in excess of \$1,200 if located in a county or parish  
7 having a population of less than one hundred thousand  
8 persons: *Provided*, That no person or family shall continue  
9 to occupy such housing with income more than 10 per  
10 centum higher than the incomes above specified. Population  
11 shall be determined by the latest Federal census.

12 (b) All annual grant contracts hereafter made for as-  
13 sistance and subsidies to housing of the character described  
14 in subsection (a) shall provide that such housing shall be  
15 occupied by persons and families having an aggregate income  
16 as stated in said subsection (a). In the case of any existing  
17 annual grant or other contract for aid to such housing no  
18 change shall be made therein unless the provisions of this  
19 subsection are complied with.

20 (c) No money shall be paid by the United States or  
21 any agency of the United States after the enactment of this  
22 Act for or toward the operation of any housing of the  
23 character described in subsection (a) of this section, or to  
24 any housing authority to aid any such housing for any  
25 period during which the same or any unit thereof is occupied

1 by persons or families having an income in excess of those  
2 specified in subsection (a) of this section. This section  
3 shall not prevent payments for or toward operating expenses  
4 of any such housing permitted in good faith to be occupied  
5 by persons or families who have represented their incomes  
6 to be within those specified in subsection (a) of this section;  
7 nor shall this section prevent the payment of the operating  
8 costs or grants or aids where the income of persons or families  
9 occupying such housing have increased above the limits  
10 herein specified after the beginning of occupancy: *Provided,*  
11 That prompt and diligent efforts are made to evict such  
12 persons or families after the facts are known.

13 (d) No person shall misrepresent income in connection  
14 with the occupancy of any housing of the character described  
15 in subsection (a) or to which the United States contributes  
16 any aid or assistance. No person shall lease or occupy any  
17 such housing or knowingly permit the occupancy thereof in  
18 violation of the income provisions of subsection (a) of this  
19 section. It shall be a violation of this section by the person  
20 or persons acting for the lessor knowingly to lease such hous-  
21 ing in violation of subsection (a) and it shall be a violation  
22 of the section by the person or persons originally occupying  
23 such housing in violation of subsection (a) at the time the  
24 same is occupied and a new violation of this section each  
25 month such person or persons continue to occupy such hous-

1 ing in violation of this section and in the event of increased  
2 income after such original occupancy it shall be a violation  
3 of this section each month such person or persons continue  
4 to occupy such housing after three months of such occupancy  
5 with an income or an aggregate family income in excess of  
6 that specified in this section. Any violation of this section  
7 shall be punished by a fine not to exceed \$1,000 or  
8 imprisonment not to exceed one year, or both.

9 (e) Any citizen, association, firm, or corporation in  
10 the United States shall have the right to sue to enjoin any  
11 violation of this section, to initiate criminal prosecution under  
12 this section or to sue for the recovery of any money paid out  
13 by the United States or any agency thereof in violation of  
14 this section and in such suit recovery may be had for a  
15 penalty in an amount equal to the amount paid out by the  
16 United States. The amount recovered for the United States  
17 for money improperly paid out shall be paid to the Treasury  
18 of the United States and the amount of the penalty shall be  
19 paid to the person bringing the action. The district courts  
20 of the United States and State courts of general jurisdiction  
21 are hereby authorized to hear and adjudicate suits authorized  
22 by this section.





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## AMENDMENT

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Intended to be proposed by Mr. BRICKER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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APRIL 12 (legislative day, APRIL 11), 1949  
Ordered to lie on the table and to be printed

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 12 (legislative day, APRIL 11), 1949

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- 1       On page 42, line 2, in section 205 of the bill, immedi-
- 2 ately preceding the quotation marks, insert the following
- 3 sentence: "No contract for contributions under this Act
- 4 shall be entered into by the Authority except following
- 5 specific appropriation by the Congress of funds for the first
- 6 annual contribution called for by such contract."

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## AMENDMENT

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81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 12 (legislative day, APRIL 11), 1949  
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## AMENDMENT

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1 GOVERNMENT EMPLOYEE AMENDMENT

2 “(10) (a) No housing owned and operated by the  
3 United States or by a local public housing authority which  
4 is assisted by annual or other contributions from the United  
5 States (except housing specifically provided for military,  
6 naval, air force, or other Government personnel) and no

1 such housing the rental of which is subsidized or assisted by  
2 the United States shall be occupied by any person em-  
3 ployed by any branch, department, or agency of the Federal  
4 Government, local State government, or local county, parish,  
5 or municipal government.

6 (b) All annual grant contracts hereafter made for as-  
7 sistance and subsidies to housing of the character described  
8 in subsection (a) shall provide that such housing shall not  
9 be occupied by persons employed by any branch, depart-  
10 ment, or agency of the Federal Government, local State  
11 government, or local county, parish, or municipal govern-  
12 ment. In the case of any existing annual grant or other  
13 contract for aid to such housing no change shall be made  
14 therein unless the provisions of this subsection are complied  
15 with.

16 (c) No money shall be paid by the United States or  
17 any agency of the United States after the enactment of this  
18 Act for or toward the operation of any housing of the char-  
19 acter described in subsection (a) of this section, or to any  
20 housing authority to aid any such housing for any period  
21 during which the same or any unit thereof is occupied by  
22 persons employed by any branch, department, or agency of  
23 the Federal Government, local State government, or local  
24 county, parish, or municipal government.

25 (d) No person shall misrepresent his employment status

1 in connection with the occupancy of any housing of the  
2 character described in subsection (a) or to which the United  
3 States contributes any aid or assistance. No person shall  
4 lease or occupy any such housing or knowingly permit the  
5 occupancy thereof in violation of the provisions of subsection  
6 (a) of this section. It shall be a violation of this section  
7 by the person or persons acting for the lessor knowingly  
8 to lease such housing in violation of subsection (a) and it  
9 shall be a violation of the section by the person or persons  
10 occupying such housing in violation of subsection (a) at the  
11 time the same is occupied and a new violation of this section  
12 each month such person or persons continue to occupy such  
13 housing in violation of this section. Any violation of this  
14 section shall be punished by a fine not to exceed \$1,000 or  
15 imprisonment not to exceed one year, or both.

16 (e) Any citizen, association, firm, or corporation in  
17 the United States shall have the right to sue to enjoin any  
18 violation of this section, to initiate criminal prosecution  
19 under this section or to sue for the recovery of any money  
20 paid out by the United States or any agency thereof in  
21 violation of this section and in such suit recovery may be  
22 had for a penalty in an amount equal to the amount paid  
23 out by the United States. The amount recovered for the  
24 United States for money improperly paid out shall be paid  
25 to the Treasury of the United States and the amount of the

## AMENDMENT

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- 1 penalty shall be paid to the person bringing the action.
- 2 The district courts of the United States and State courts of
- 3 general jurisdiction are hereby authorized to hear and adjudi-
- 4 cate suits authorized by this section.







which exist, do not have the same application in the District of Columbia, and I do not believe the President's references to the national act should be held to apply to the bill we are now considering.

Mr. President, much as I welcome the support of the Senator from Wisconsin of the President of the United States, and agree with the righteousness of his statements, I do not believe that in this particular instance they should be of much concern to the Senate. I therefore hope that the vote will be to adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. McGRATH. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCARTHY. Mr. President, a parliamentary inquiry. Am I correct in my understanding that if a majority vote "yea" it means that the conference report is approved, and if a majority vote "nay" it means that the bill will go back to conference?

The PRESIDING OFFICER. The Senator has correctly stated the situation.

Mr. McGRATH. Mr. President, a vote "nay" does not mean the bill will go back to conference.

The PRESIDING OFFICER. The Chair did not catch that part of the inquiry of the Senator from Wisconsin. A vote "yea" means approval of the conference report. A vote "nay" means disapproval.

Mr. McGRATH. Disapproval, and therefore we would be left in the position of having to start all over again to write a District of Columbia rent-control law.

Mr. TAFT. Is it not true we could ask for another conference, and send the bill back for a new conference?

The PRESIDING OFFICER. The Senator from Ohio is correct.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALDWIN (when his name was called). On this vote I have a pair with the senior Senator from Connecticut [Mr. McMAHON], who is necessarily absent. If he were present he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. THYE (when his name was called). On this vote I have a pair with the junior Senator from Wyoming [Mr. HUNT] who is unavoidably detained. Were he present he would vote "yea." Were I permitted to vote I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. The Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senators from Arkansas [Mr. FULBRIGHT and Mr. McCLELLAN], the Senator from Iowa [Mr. GILLETTE], the Senator from Idaho [Mr. MILLER], the Senator from Maryland [Mr. O'CONOR], the Senator from Georgia [Mr. RUSSELL], the Senator from Okla-

homa [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Maine [Mr. BREWSTER], the Senator from Montana [Mr. ECTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Missouri [Mr. KEM], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. REED], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from Oregon [Mr. MORSE] is absent on official business.

The result was announced—yeas 40, nays 23, as follows:

#### YEAS—40

Aiken	Johnson, Colo.	Murray
Anderson	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	Neely
Connally	Kefauver	O'Mahoney
Douglas	Kerr	Pepper
Ellender	Kilgore	Saltonstall
Frear	Langer	Smith, Maine
George	Long	Sparkman
Green	Lucas	Stennis
Hayden	McFarland	Taylor
Hill	McGrath	Tydings
Hoyer	McKellar	Withers
Holland	Magnuson	
Humphrey	Maybank	

#### NAYS—23

Bricker	Gurney	Martin
Bridges	Hendrickson	Mundt
Butler	Hickenlooper	Schoeppel
Cain	Ives	Taft
Capehart	Knowland	Watkins
Cordon	Lodge	Wherry
Donnell	McCarthy	Williams
Ferguson	Malone	

#### NOT VOTING—33

Baldwin	Hunt	Robertson
Brewster	Jenner	Russell
Byrd	Kem	Smith, N. J.
Chavez	McCarran	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Eastland	McMahon	Thye
Eaton	Miller	Tobey
Flanders	Millikin	Vandenberg
Fulbright	Morse	Wagner
Gillette	O'Connor	Wiley
Graham	Reed	Young

So the report was agreed to.

#### HOUSING ACT OF 1949

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1070, to establish a national housing objective and the policy to be followed in the attainment thereof, and so forth.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I am glad to yield.

Mr. WILLIAMS. Is the majority leader able to tell us when he plans to bring up for action Senate bill 900, the Commodity Credit Charter amendment?

Mr. LUCAS. I will say to my distinguished friend from Delaware that I am not sure how long the Senate will debate the housing bill. Tomorrow we shall also have before us the conference report on the ECA. It is barely possible that we may take up the bill to which the Senator refers following the disposition of Senate bill 1070, but not before that.

Mr. WILLIAMS. Not until after the housing bill has been taken up?

Mr. LUCAS. Not until after the housing bill has been disposed of by the Senate one way or another. It may take 2 or 3 days to dispose of the housing bill.

Mr. WILLIAMS. I just wanted the RECORD to show that I was ready any time the Senator from Illinois was ready to take up Senate bill 900.

Mr. LUCAS. I appreciate the statement the Senator has made that he is ready.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CONNALLY. The Senator from Illinois mentioned the conference report on the ECA bill. The conferees have worked all day today on the matter and have come to an agreement. The conference will have to be acted on in the House first. I hope Senators will give attention to the report tomorrow, so we can have it adopted and get it out of the way, because the House is going on a vacation. I hope Senators will acquaint themselves with the terms of the conference report, and give us a chance to get it out of the way tomorrow.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I wish to ask the Senator from Texas how long he believes consideration of the conference report will require?

Mr. CONNALLY. I believe it will require not over 30 or 40 minutes.

Mr. MAYBANK. Of course, the conference report is a privileged matter and would have right-of-way tomorrow.

Mr. LUCAS. The Senator from South Carolina is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois that the Senate proceed to the consideration of Senate bill 1070.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. WHERRY. So the housing bill is now the unfinished business.

The PRESIDING OFFICER. The Senator from Nebraska is correct.



## LEAVES OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent to be absent from the Senate until next Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that I may be absent from the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## REPORT OF A COMMITTEE

Mr. HAYDEN (for Mr. McKellar), from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 222) making an additional appropriation for the Veterans' Administration for the fiscal year ending June 30, 1949, and for other purposes, reported it without amendment and submitted a report (No. 261) thereon.

## EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

## EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there are no reports of committees, the clerk will state the nominations on the calendar.

## DEPARTMENT OF COMMERCE—NOMINATION PASSED OVER

The Chief Clerk read the nomination of Thomas C. Blaisdell, Jr., of the District of Columbia, to be Assistant Secretary of Commerce.

Mr. WHERRY. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination? [Putting the question.] The ayes have it, and the nomination is confirmed.

## POST OFFICE DEPARTMENT

The Chief Clerk read the nomination of John W. Askew, of Virginia, to be Comptroller, Post Office Department.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters will be confirmed en bloc; and, without objection, the President will be notified of all nominations this day confirmed.

## RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 14, 1949, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate April 13 (legislative day of April 11), 1949:

## IN THE COAST GUARD RESERVE

The following officers of the United States Coast Guard Reserve to be commissioned in the United States Coast Guard, dates of rank to be computed upon execution of oath in accordance with the regulations governing determination of precedence as commissioned officers in the United States Coast Guard of Reserve officers. Former Reserve officers, and former temporarily commissioned officers:

## To be lieutenants (junior grade)

Edwin W. Coleman  
John W. Cherry

The following former member of the Bureau of Marine Inspection and Navigation, for appointment in the United States Coast Guard:

To be lieutenant commander, with date of rank June 3, 1943

John H. Speckin

## CONFIRMATIONS

Executive nominations confirmed by the Senate, April 13 (legislative day of April 11), 1949:

## UNDER SECRETARY OF DEFENSE

Stephen T. Early, of Virginia, to be Under Secretary of Defense.

## DEPARTMENT OF COMMERCE

Thomas C. Blaisdell, Jr., to be Assistant Secretary of Commerce.

## POST OFFICE DEPARTMENT

John W. Askew to be Comptroller, Post Office Department.

## IN THE ARMY

## PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Don Walter Adair, O28491, et al., for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on April 1, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Don Walter Adair, appearing on page 3802, and ending with the name of Dugal Walker Hudson, which is shown on page 3805.

## APPOINTMENTS IN THE WOMEN'S ARMY CORPS, REGULAR ARMY OF THE UNITED STATES

The nominations of Ura M. Ankrom, L500060, et al., for appointment in the Women's Army Corps, Regular Army of the United States, in the grade specified, under the provisions of Public Law 625, Eightieth Congress, which were confirmed today, were received by the Senate on April 1, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Ura M. Ankrom, appearing on page 3805.

## IN THE AIR FORCE

## TEMPORARY APPOINTMENTS IN THE AIR FORCE OF THE UNITED STATES

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 516, Officer Personnel Act of 1947:

Bertrand Ellwood Johnson, AO26920.  
Albert Meldrum Kuhfeld, AO38663.  
William Taylor Thurman, AO26374.

## APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named persons for appointment in the United States Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 308, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

## To be majors

Millicent Anderson	Edith E. Gintzer
Grace M. Barth	Helen Kulikowska
Marjorie E. Bowman	Kathleen McClure
Edythe S. Cobbe	Margaret L. Miller
Martha L. Cross	Catherine M. Moran
Ruth M. Downey	Margaret J. Steele
Edith G. Eide	Vera E. Von Stein

## To be captains

Rachel W. Brinton	Claire J. McDonald
Jane A. Buck	Mary E. McPherson
Bernice D. Coulter	Olive L. Moeckel
Lillian W. Duncan	Theresa C. Mravintz
Leonora E. Embich	Genevieve K. O'Brien
Gladys Foley	Rose E. Panowski
Adeline Franzel	Elizabeth Ray
Elizabeth T. Hickson	Edythe L. Robertson
Rosalie A. Hoffmann	Marguerite L. Roux
Anita E. Johnson	Elizabeth O. Ryland
Anne S. Krizanauskas	Marion L. Watt
Lorna V. Kubli	Olive E. Young

## To be first lieutenants

Margaret V. Berry	Helen R. Huyett
Margaret R. Brinson	Marcia A. Levy
Rose J. Coppa	Agnes W. McAmis
Lucille B. Dion	Gloria K. Miller-Potter
Florence R. Ferris	Dorothy A. Porter
Orla L. Geick	Mary L. Porter
Ellen T. Gilbert	Jane Sewell
Sarah Goldin	Barbara S. Smith
Carolyn F. Greenway	Virginia J. Starbuck
Jessie V. Hogan	Gwendolyn J. Watson

## To be second lieutenants

Betty B. Coleman	Terrence V. McGuire
Delores M. Knapik	Joseph F. Olshefski
	Herbert W. Remington
	Harold K. Snook
	Edward G. Sperry
	Robert C. Storrie
	Lammie L. Thurmond, Jr.
	Francis M. Wildman
	Clifford M. Winter, Jr.
	Ned D. McDonald, Jr. Burton Zeiger

## IN THE NAVY

## APPOINTMENTS IN THE NAVY

The nominations of Charles A. Nicholson II et al. for appointment in the Navy, which were confirmed today, were received by the Senate on April 2, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD under the caption "Nominations," beginning with the name of Charles A. Nicholson II, appearing on page 3848 and ending with the name of Brendan J. Moynahan which appears on page 3849.

## POSTMASTERS

## CALIFORNIA

Walter J. Degregori, Los Banos.

## FLORIDA

Billie S. Campbell, Lake Harbor

## IOWA

John R. Bahne, Eldora.

## KANSAS

Ralph W. Smullins, Burr Oak.  
E. Lucille Logsdon, Grenola.



# Appendix

## Federal Housing Legislation and Cities

### EXTENSION OF REMARKS

OF

## HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

*Wednesday, April 13 (legislative day of  
Monday, April 11), 1949*

Mr. GREEN. Mr. President, when the United States Conference of Mayors met in Washington on March 22, the Honorable Dennis J. Roberts, mayor of the city of Providence, R. I., delivered an address entitled "Federal Housing Legislation and Cities." With the housing bill presently under consideration, I believe the mayor's address will be of interest to the Members of the Senate, and I desire to present it at this time and ask unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Most of you will agree with me, I think, that housing, traffic, and money are the biggest post-war problems. At least, this is the case in Providence.

We have an old city. That means old dwellings and narrow streets—and big headaches.

We also have a conservative city, particularly in matters of money. Our general property tax rate has been held down to \$25 a thousand, although last week I recommended to the people that it be increased about 15 percent as the best means of making ends meet these days.

In Providence we believe that careful planning is the first step toward making every tax dollar buy the most value for the city. We have done a lot of this since the war, and I believe that it will pay off handsomely in years to come.

That planning, of course, has covered our traffic problems. We are trying to get the State to build a modern express freeway across the city to drain off half the vehicles that now clog our downtown business district. As a first step in this direction, we ourselves are building, in the western end of the city an expressway which will be a key component of the over-all system. We are going to the legislature at this session with a bill to give the city full powers to develop an off-street parking program downtown.

We also have done a lot of planning as regards housing. That work now promises to pay off in the near future, when, as and if proposed Federal housing legislation is passed by Congress.

The Federal legislation I refer to is the bill known as Senate 1070, which is the 1949 version of the Taft-Ellender-Wagner bill for public housing and redevelopment.

I do not propose to discuss that bill with you. You already are familiar with its provisions.

What I want to do is to outline the basic ways in which the cities can avail themselves of the Federal money to be provided under that bill. Specifically, of course, I want to discuss with you what we have done in Providence to this end.

First. We have definite and detailed plans for housing developments.

Second. We have permissive legislation to enable them to undertake projects covered by S. 1070.

Third. We have money available.

These are the three basic steps a city must take in order to qualify for Federal money under the proposed Federal legislation.

These steps are absolutely essential. The Federal Government does not propose to plan programs for the cities, nor does it propose to carry out any programs. The Government will provide financial aid. But the cities must do the job.

Let's run over the actions we have taken in Providence to qualify under S. 1070.

First. Planning: Right after the war we did a comprehensive survey of housing requirements in Providence, particularly as regards veterans and their families, who were clearly entitled to first consideration in planning a housing program.

From this we derived much basic information about the size of the need and the rentals people could afford. Acting on this information, we went ahead with a city-financed middle-rental housing development for veterans. This is now nearing completion, and I shall have a word to say about it later.

Our full-fledged redevelopment agency also was set up after the war. This organization, working closely with our city plan commission, has dug deep into the housing problem and has come up with some excellent answers.

We have in Providence about 900 acres of vacant land which is considered suitable for housing development.

Another 300 acres of blighted area should be cleared and converted to good, modern housing. Some 150 acres of blight we plan to clear and convert to industrial use.

That is the broad picture. Now, here is what we have done so far in drawing specific plans for housing developments:

Of the 900 acres of vacant land, we already have earmarked 350 for development along carefully planned lines. These 350 acres comprise a total of 19 sites on which we expect to build housing for some 4,000 families.

Eight of these sites have been recommended for private development to produce 1,800 single-family garden-apartment and in-town apartment units. By July 1, we will have necessary information about two of these sites in final shape to enter definite negotiations with private capital to build the planned types of dwellings.

Four of the 19 sites are programed for middle-rental public housing, to take care of some 1,500 families. The first of these is Valley View, the fine veterans' development I mentioned earlier. In the near future 256 families will move into Valley View, and their monthly rentals will prove the soundness of our planning.

Our postwar housing survey showed that the average amount veterans could pay was \$45 a month. The Providence Housing Authority, which is building and will operate Valley View for the city, drew its plans and set its sights on that target of \$45 a month.

The development, as I said, is nearing completion and we are now able to figure where we are coming out financially. Ten days ago, the Housing Authority informed me that the average monthly rental for Valley View would be, not \$45, but \$45.85.

Thus, we overshot the target by 85 cents.

But I think you will agree that is not bad planning on a development involving nearly \$2,850,000.

All of that money is city funds, as I told you, which we secured through bond issues, without waiting for the Federal Government or anybody else to come along to help us.

The plan is to mortgage Valley View to the local banks for some \$1,600,000. This mortgage money will be used to make a start on a second development similar to Valley View. That second one will then be mortgaged, we expect, to provide the springboard for a third development of this type.

Finally, we have programed 7 of the 19 vacant-land sites for low-rent public housing to take care of some 1,500 families.

Two of these seven sites were purchased and cleared by the Providence Housing Authority before the war, following completion of two other developments which are being successfully operated today. Plans and specifications to house 398 families actually were drawn. Bids, however, exceeded the Federal funds available under the law at that time. Both developments thus were shelved in 1941.

But we still have those plans and they can be put out to bid again in a matter of a few days. This gives us two projects qualified for Federal money in the low-rental field as soon as S. 1070 becomes law.

We come now to the second main qualification for Federal housing aid—the matter of legislation. I do not want to go into details on this, since the specific provisions of the law should probably be tailored to the special needs and situations of each State and city.

There are, however, three fundamental provisions we have incorporated into our redevelopment act, which I suggest to you are essential if legislation is to give proper powers to your city.

The first is provision for setting up a full-fledged redevelopment agency, adequately staffed and charged with the duty of planning and executing redevelopment programs. Unless you do this, you are inviting inertia. The New York law, for example, merely provides that a corporation may be formed for redevelopment purposes—and that leaves the cities in the position of having to find somebody willing to form such a corporation.

Some legislation designates the local housing authority as the agency for redevelopment. This is all right as far as housing goes. But there are obvious shortcomings involved when you start thinking in terms of having a housing authority handle redevelopment of industrial areas.

If, on the other hand, you have a full-fledged redevelopment agency, you have somebody who is not only empowered but is directed to carry the ball and get things done.

Let me suggest, also, that enabling legislation should be broad enough to cover redevelopment not only of blighted areas but also of arrested subdivisions. We have this provision in our law and feel it will have important results as we go along. This type of provision, incidentally, was not in the old TEW bill, but is included in S. 1070.

Finally, I would suggest that every redevelopment act should contain a provision that is, I believe, contained only in the law under which we operate in Providence. This provision enables us not only to take property by eminent domain and write down the land costs; it also permits us to grant tax freezes that make it attractive for private



capital to enter the middle-rental housing field in much the same manner that limited-dividend housing has been handled in New York City.

Third of the fundamental ways in which cities must qualify for aid under S. 1070 is the matter of money.

The money is essential because the Federal Government is willing to go two-thirds of the way in financing redevelopment, but not all the way. The cities must have the other third of the cost available before the Government will put up a penny.

By cost I mean the loss to be expected from transactions in which the city buys land at market prices and resells it at a lower figure to attract private capital, which is the typical pattern of a redevelopment operation.

Federal loans to finance redevelopment programs would be available under S. 1070, providing, of course, that a city qualifies properly in planning and legislation ground-work. But the Government expects to be paid back most of the face of these loans from the proceeds of land sales to private capital.

What it does not get back is the loss, and the Federal Government will foot two-thirds of this. However, before any Federal loans are made the city must have on hand enough money to pay the other one-third of the loss.

In Providence we have a revolving fund of \$2,000,000 available for this phase of redevelopment. Issue of bonds in this amount was authorized by the voters at the last election for this specific purpose.

Here is the way in which the financing will work: Suppose we undertake a project which involves purchase of land for \$1,000,000 and resale to private interests at a price of \$700,000.

The city suffers a loss of \$300,000. Of this, the Federal Government pays \$200,000 and the city \$100,000, taking from the redevelopment fund.

Obviously, on a 2-to-1 basis, we can make that \$2,000,000 do the work of \$6,000,000 with Federal help. Before we have lost that \$6,000,000, we should have done perhaps fifty or even one hundred million dollars' worth of redevelopment in Providence—depending on the extent to which we have to write down land values to attract private capital.

There, in broad outline, is the redevelopment picture as we see it in Providence. We look forward eagerly to the enactment of S. 1070, which will enable us to really get our housing and redevelopment plans rolling toward physical reality.

We are in a good position to take immediate advantage of the new law for just one reason—we have worked hard and planned hard to get Providence ready.

One reason we have taken these steps of planning, legislation, and financing is that it looked for a while as if Federal aid might not be forthcoming. We were resolved to go ahead with housing as fast as we could and as far as we could with our own money, limited as it is.

But even with the best will in the world, no city today can fully finance a proper housing program of its own. At least, I do not know of any major city that can afford such an outlay in these times of tight budgets.

Therefore, passage of S. 1070 with its Federal aid is essential if the cities are to give their people the kind of dwellings to which every American is entitled.

But, as I have outlined to you this afternoon, mere passage of the bill by Congress is not enough. You and I in the cities must organize to qualify for Federal aid.

The cities must develop sound and detailed plans, secure adequate enabling legislation, and must make available sufficient funds before Uncle Sam will put up a dime.

Naturally, those requirements are set up for the sole purpose of insuring the success

of redevelopment projects. In Providence we welcome the challenge of meeting high standards like that.

We know that when we have laid the foundations right and have the Federal money to build on those solid foundations redevelopment will succeed and will be an incalculable benefit to the city.

On the public housing side also we are well prepared. Our housing authority is experienced in nearly 10 years of operating the two developments we built before the war.

It is acquiring postwar building experience at Valley View, our fine new middle-rental development for veterans.

It has plans ready to put out for bids under the public housing provisions of S. 1070.

In closing let me emphasize to you that we are making an across-the-board attack on the housing problem in Providence. We are doing this through close and active teamwork between the Housing Authority, the Redevelopment Agency, and the city-plan commission.

The Providence housing program is aimed at meeting the needs of all income groups, and I hope that within a comparatively few years we will have achieved this all-important goal.

Thank you.

### Economic Consequences of British Socialism

#### EXTENSION OF REMARKS OF

**HON. HUBERT H. HUMPHREY**

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 13 (legislative day of  
Monday, April 11), 1949

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an excerpt from an address entitled "The Economic Consequences of British Socialism," delivered by Geoffrey Crowther, editor of the Economist of London, before the Economic Club of New York at New York City on Wednesday, January 26, 1949.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### THE ECONOMIC CONSEQUENCES OF BRITISH SOCIALISM

We are witnessing, in our times and within our own democracies, a great struggle of ideas. Western industrial civilization, as we know it, grew up under the domination of a system of ideas that we now call those of the right. It was a system of ideas that exalted material progress and production, and under it more wealth has been created than was ever before imagined. But it was also a system that took little notice of the miseries and the injustices that were the price of its progress. We have therefore in the last generation seen the rise of the opposite doctrines of the left, which exalt the security and social welfare of the individual, even at the cost of economic efficiency and the maximum creation of wealth. This is one of the great antitheses of our time, which reappears in innumerable guises. It is the antithesis between progress and security, between the efficiency of the economic system and its equity. It is the contrast between the gospel of work and the endowment of leisure, between the premium that our fathers put upon thrift and the stimulus that the present age gives to consumption. It is the conflict between Samuel Smiles and Karl Marx.

I do not believe that any of us can afford to be fundamentalists in this conflict. Life would be easier if one could say that one order of ideals is wholly right and the other wholly wrong. But I do not think it is so. We cannot simply go back to the nineteenth century. There is far too much of the logic of the twentieth century in the ideas of the left for it to be possible to sweep them aside. I am one of those who think that the movement to the left of the last 20 years has gone too far and that, if we are to hold to the course that history has set us, the time is due for a tack to the right. But there must be both elements in our twentieth-century society, and we shall spend the rest of our lives learning how they can be trained to double harness.

Of this great antithesis, the issue of the public ownership of industry, which I have been discussing with you, is only one of the manifestations. Indeed, it is not even one of the more important, for what are fundamental are the ideas and the aspirations of the left, not the particular piece of social mechanism through which they show themselves. I dislike the discount at which the present Government of my country values such things as enterprise, efficiency, and thrift. But the move to socialize industry is not the cause of this discount, it is one of its effects. If, therefore, you look upon socialism as an exotic disease, like typhus or beri-beri, the symptoms of which it may be interesting to have described by a visiting traveler, but which can be kept out of your own country by quarantine regulations at the ports, I submit you are making a great mistake. For one thing, it is not a disease, but a perfectly legitimate and responsible movement of human thought. And for another, though the manifestations of it may be different in different countries, it is a tendency that is present, in this twentieth century, everywhere where men are free to think. Or do you perhaps believe that enterprise and efficiency and hard work and thrift are not under attack in your own country?

I said "under attack," but that is the wrong word, for it suggests a battle. And this issue of right and left is not a battle that can be won by either one killing the other. It is rather a problem that has to be resolved by the mating of the one with the other and the birth of offspring that takes something from each but has its own life.

But there is a battle in the world today, a real battle to the death. It often appears in the disguise of a battle between different systems of economics. But that is a trap set by the enemy and designed to foster unnecessary quarrels in the ranks of those who oppose him. If the main difference between the Soviet system and our own were simply that they believed in the public ownership of industry and we did not, we could agree to differ and each mind his own business. But we know that is not what is at issue. It is human liberty that we cannot agree to differ about. It is not the public ownership of industry that we fear, but tyranny and the military aggression that follows in its wake. What divides us from the Soviets is not their views on the matters I have been discussing, but their views on my right to discuss them.

I have sometimes heard the argument in this country that, since communism means a complete loss of liberty, every Socialist experiment must mean some loss of liberty. That seems to me to be poor logic—unless you are prepared to admit that the American public-school system, the United States Post Office, the State banking commissions, and the Maritime Commission are all of them limbs of tyranny. Certainly nobody in England thinks the basic liberties are endangered by the Socialist experiments we have had. All of them will be submitted, within 18 months at most from now, to an election

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 13 (legislative day, APRIL 11), 1949  
Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. CAIN (for himself and Mr. BRICKER) to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz:

- 1 Page 25, line 11, following the word "and" at the end
- 2 thereof insert the following: "(iii) unless the project or
- 3 projects in the locality, which are to be assisted under this
- 4 Act, shall have been approved by referendum of the voters
- 5 in the locality at a general or special election; and".



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- 1 Page 31, lines 6 and 7, strike out the words "economy
- 2 will be promoted both in construction and administration"
- 3 and insert in lieu thereof the following: "as will not exceed
- 4 in cost (excluding land, demolition and nondwelling facili-
- 5 ties) the costs (as estimated by the Federal Housing Ad-
- 6 ministration) of new privately built dwelling accommodations
- 7 (excluding land, demolition, and nondwelling facilities) then
- 8 currently being insured in the area by the Federal Housing
- 9 Administration)".

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- 1           (c) except in the case of the family of any veteran
- 2           or serviceman (or of any deceased veteran or service-
- 3           man), which family shall have the preference pre-
- 4           scribed in subsection 10 (g) of this Act, no family
- 5           shall be eligible for admission to any low-rent project

1 assisted under this Act unless such family is certified,  
 2 by the local government agency administering public  
 3 welfare in the locality, as in need of public contribution  
 4 toward the payment of its rental; and.

81ST CONGRESS  
 1ST SESSION

S. 1070

## AMENDMENT

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Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Did the Senator make plain the reason why the joint resolution must be passed before the Easter recess?

Mr. HAYDEN. Yes. If Congress does not pass it at once, about 3,000,000 veterans in the United States will be adversely affected.

Mr. WHERRY. If the joint resolution is not passed, what will be the result?

Mr. HAYDEN. The Veterans' Administration has money enough to last for approximately another week.

Mr. WHERRY. It is because of that fact that the Senator from Arizona feels that this appropriation should be continued for 3 months. Was there not also discussed in the Appropriations Committee the need for the Independent Offices Subcommittee also to make a searching inquiry into the amount involved in the next quarter, with a view to a possible reduction?

Mr. HAYDEN. A rescission could be placed in the next annual appropriation bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TAFT. How much are we asked to appropriate for a deficiency in the Veterans' Administration?

Mr. HAYDEN. A little less than \$600,000,000—to be exact, \$595,890,000.

Mr. TAFT. How could the Veterans' Administration possibly fail to such a degree to estimate correctly its expenditures? Today it is insisted that we make a deficiency appropriation of \$600,000,000, which the Veterans' Administration did not present with the other deficiencies. How can the Veterans' Administration possibly explain or justify its failure to estimate correctly expenditures which they now say are required?

Mr. HAYDEN. The explanation is comparatively simple. First, the Veterans' Administration was denied by the last Congress approximately \$250,000,000 of its budget estimate. Second, the Eightieth Congress passed two different acts, Public Laws 411 and 512, increasing the amounts to be paid to veterans, which has resulted in a requirement for an additional \$209,960,800.

Mr. TAFT. What I ask is, Why was not this deficiency submitted with the other deficiencies 2 months ago? Why could it not have been estimated, so that proper consideration could have been given by the Appropriations Committee to these demands?

Mr. HAYDEN. The questions which the Senator from Ohio is asking were asked very vehemently by the House Committee on Appropriations. The House committee asked the reason for the delay in requesting this appropriation. It was stated that early in March the Veterans' Administration submitted an estimate to the Budget Bureau for what it thought it needed. This estimate was based on January figures. On examination the Bureau of the Budget questioned whether the increased figures were of a permanent or temporary na-

ture and stated that it wanted to see the February figures. That delayed matters until the end of March, when the February figures were received. The Budget Bureau completed its review on April 4 and on April 8 the Veterans' Administration agreed with the Budget figures. The Veterans' Administration states that for weeks it has been urging the Bureau of the Budget to transmit the estimate to Congress. It arrived the day before yesterday.

Mr. TAFT. Is the Senator able to tell us what, in his opinion, has caused the increase over the original request? What are the particular factors?

Mr. HAYDEN. The particular factors set forth in the supplemental estimate are as follows: For education and training there was appropriated in 1949 \$2,089,000,000. The revised estimate is \$2,691,000,000, an increase over the amount appropriated of \$602,000,000. With respect to the loan guaranty fund, the appropriation was \$86,000,000. The revised estimate is \$43,000,000, so there is a saving there of \$43,000,000. With respect to the readjustment allowances, the amount appropriated was \$412,000,000. The revised estimate is \$490,000,000, or an increase of \$78,000,000. These items total \$637,830,000 and from that figure is deducted \$41,700,000 which represents an increase in the carry-over funds from what was originally estimated. That is the way it works out.

Mr. TAFT. I still do not understand. Of course, we increased the allowances, but we did that more than 6 months ago. The requirements could have been calculated at that time. What other elements or new developments are there?

Mr. HAYDEN. One of the new developments is the very great increase in unemployment allowances.

Mr. TAFT. Twenty dollars a week for 52 weeks?

Mr. HAYDEN. The increase came about by reason of an increase in the number of unemployed veterans who applied for this assistance.

Mr. TAFT. Is the Senator referring to on-the-job training or college training?

Mr. HAYDEN. On-the-job training, and college and high-school training. Then there is the unemployment compensation itself.

Mr. TAFT. Twenty dollars a week for 52 weeks?

Mr. HAYDEN. That is correct.

Mr. TAFT. That has not yet expired, has it?

Mr. HAYDEN. It will expire in July 1949 for any veteran discharged before July 25, 1947.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. As it was explained to us yesterday, the general law expires on July 1 of this year, except for those who have been taken into the armed services and who have left the service since the war ended. The actual number of unemployed veterans receiving compensation in the month of November was 246,000. In March of this year the number was 670,000. The increase comes about partly because of that fact, and partly because of the in-

creased number taking on-the-job training and educational training.

Mr. HAYDEN. The increase under the two acts of Congress to which I have referred by reason of the additional allowances is \$209,000,000.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. I wish to ask the Senator a question, because in the committee the same inquiries were made which have been made by the senior Senator from Ohio here in the Chamber, in an effort to reduce the amount some \$90,000,000, on the theory that the proponents of the measure stated that unemployment was leveling off somewhat, and might not be as great during the next 3 months as had been anticipated. So we asked whether a reduction of 10 percent, let us say, could be made. My understanding was that even with such a reduction, it would be doubtful whether the Veterans' Administration could continue to operate for this period with less money than approximately \$600,000,000. Is that the Senator's understanding?

Mr. HAYDEN. The opinion was expressed to the committee by those representing the Veterans' Administration that they doubted that this \$595,000,000 would be sufficient, but that the appropriation for the Veterans' Administration in the Independent Offices appropriation bill, for fiscal year 1950 might be made available immediately, to carry them along in June.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. HAYDEN. I yield.

Mr. WHERRY. Was it not a fact that, although this matter came up almost as abruptly in the committee as it has here in the Senate, nevertheless a searching inquiry was made as to whether the amount could be reduced?

Mr. HAYDEN. Yes.

Mr. WHERRY. And does not the record show that if there be any leveling off or any further leveling off in unemployment, to an extent which can be taken advantage of by the veterans, adjustment for that can be made in the appropriations carried in the Independent Offices Appropriation bill when it comes before the Senate for consideration?

Mr. HAYDEN. That is correct.

Mr. WHERRY. And was not the real reason for our acting as we did the emergency which the members of the committee felt required the prompt handling of the matter, and their further belief that we should attempt to make the saving on another bill?

Mr. HAYDEN. The Senator has correctly stated what occurred at the hearing before the committee.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to add a further observation: This is just another one of the appropriations that are coming along but are not included in the spending budget of this fiscal year. This is an additional amount. It is authorized by the Congress; but I wish to say once again that, when we make authorizations, we must expect to pay the



tariff. That is exactly what happens. In this case the Congress has made the authorization; and the veterans are entitled to the money. It is a fixed charge which must be paid. The only hope of reducing the appropriations of this character is that unemployment may level off and there may not be so many veterans seeking to take advantage of the benefits as are now taking advantage of them.

I wish to say once again, as a member of the Appropriations Committee, and especially in view of the joint resolution proposing to amend the Constitution in regard to fiscal matters, referred to today by the Senator from Maryland, that we simply must put all such projects or proposals on the table and see what the Government's income is as compared to contemplated total expenditures. If we do not do that, in the final analysis we shall either have to provide additional taxes or resort to deficit spending. This is just one of the fixed charges occurring as a result of an authorization. All of us supported it, and I am not complaining about it; but when we authorize expenditures, we must pay the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. HAYDEN. I yield.

Mr. MAYBANK. I wish to ask the distinguished Senator from Arizona a question. When the testimony was had before the committee yesterday—and as the Senator from Arizona has stated, the matter came up suddenly in the committee—am I correct in recalling that statement was made that the proper figure for the number of unemployed was approximately 600,000?

Mr. HAYDEN. It has been that high. The average unemployment load was 435,000 veterans.

Mr. MAYBANK. In other words, there were 435,000 of them unemployed?

Mr. HAYDEN. Yes.

Mr. MAYBANK. But was there not a statement that the unemployment figure had reached 600,000?

Mr. HAYDEN. In March 1949 it was 670,000.

Mr. MAYBANK. I thought so.

Mr. HAYDEN. But the representatives of the Veterans' Administration do not expect unemployment to be that great during the remainder of the fiscal year.

Mr. MAYBANK. I understand.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LANGER. I should like very much to know what connection, if any, the deficit of approximately \$600,000,000 has with the reduction of 1,600 beds in hospitals for veterans?

Mr. HAYDEN. The number of hospital beds has nothing at all to do with the pending resolution.

Mr. LANGER. If there were 1,600 fewer beds, the expenses would be less; would they not?

Mr. HAYDEN. Not in this item. This appropriation relates solely to veterans who go to school and receive instruction

of one kind or another, or unemployed veterans who are entitled to unemployment benefits; that is all. In other words, there are approximately 3,000,000 physically sound veterans who are obtaining benefits of one kind or another. Congress promised them these benefits, and provided unemployment compensation for them, and Congress must now appropriate the money to meet those commitments.

Mr. LANGER. I thank the Senator.

Mr. BRIDGES. Mr. President, in connection with the pending joint resolution, I wish to say that I am in concurrence with some of the statements which have been made on the floor. I think the action of the Veterans' Administration in submitting the request as suddenly as it did is almost inexcusable. At the same time, what the Senator from Arizona and the Senator from Nebraska have stated shows that we are in a position of not being able to do very much else.

Mr. HAYDEN. That is true.

Mr. BRIDGES. Nevertheless, the way this matter has been presented by the Veterans' Administration shows a lack of foresight, and it demonstrates that neither the House Appropriations Committee nor the Senate Appropriations Committee should ever again be forced into such a position, and that certainly there should be much longer-range planning.

But, Mr. President, as the Senator from Nebraska has stated, the committee was faced with an existing situation. Although I do not think the committee approves of the appropriation or of the method used in connection with it, any more than I do, for instance, nevertheless the committee is faced with a situation which must be met. As indicated by the Senator from Arizona, the proposed method of meeting it is suggested with the thought in mind of surveying the situation and making cuts in another bill; and that seems to be the only solution.

The PRESIDENT pro tempore. The question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 222) was ordered to a third reading, read the third time, and passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 164) authorizing the Secretary of the Interior to convey certain lands to the Churntown Elementary School District, Calif.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE

of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 10) to provide additional funds for the Joint Committee on Labor-Management Relations.

#### DISPLACED-PERSONS LEGISLATION ENACTED BY THE EIGHTIETH CONGRESS

Mr. MARTIN. Mr. President, during the recent campaign one of the burning issues was the question of displaced-persons legislation enacted by the Eightieth Congress. Republicans were accused over and over again of discriminating against various groups of unfortunate refugees. They were publicly condemned by President Truman in South Bend, Ind., on October 26, 1943, as follows:

Some people don't want the victims of World War II to come to the United States and get a fresh start in life. The Republican Eightieth Congress has a lot of men who felt this way, and their record proves it.

A majority of the Republicans in both House and Senate voted to keep the laws they passed, because they don't want homeless, suffering Europeans of certain religions to get into the United States.

Throughout the entire campaign Democrats promised to change the law in line with their 1948 platform. I should like to quote the Democratic platform provision relating to displaced persons:

We pledge ourselves to legislation to admit a minimum of 400,000 displaced persons found eligible for United States citizenship without discrimination as to race or religion. We condemn the undemocratic action of the Republican Eightieth Congress in passing an inadequate and bigoted bill for this purpose, which law imposes un-American restrictions based on race and religion upon such admissions.

Mr. President, I am reminded of these accusations and promises by an item appearing in Tuesday's New York Times. It is reported that the Senate committee with jurisdiction over displaced-persons measures has not held a single hearing on proposed amendments to the 1948 law, although Democrats have been in control for over 3 months. Such delay is difficult to understand, especially when Members recall the legislative program Republicans were expected to enact in 15 days last summer.

The newspaper report goes on to show how Republicans once more have taken the initiative in expediting the legislative program. Five Republican Senators have publicly requested the committee chairman to act so that the Senate will have the opportunity to consider the displaced-persons problem again.

Mr. President, I call the attention of the Senate to this matter as just another example of how the Democratic Party is long on promises but short on performance.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agen-



cies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. MAYBANK. Mr. President, before beginning the debate on Senate bill 1070 I desire to make a brief statement to the Senate. As chairman of the Committee on Banking and Currency, I want to say, before the debate begins, that I desire to thank the members of the committee for their untiring work and cooperation, and I also wish to pay my respects to the chairman of the subcommittee, which I shall later do in my statement, for his great work, and also to pay my respects to the Senators, on both sides of the aisle, who are members of the Committee on Banking and Currency.

Several public-housing bills were sent to the committee, and from those bills the committee worked out Senate bill 1070. It differs very little from bills of a similar nature passed by the Senate in previous years under the able leadership of the Senator from New York [Mr. WAGNER], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Ohio [Mr. TAFT], and later under the leadership of the Senator from Ohio, with the Senator from Louisiana and the Senator from New York.

The bill has some 23 names attached to it as sponsors. I hope that on both sides of the aisle we shall have the same cooperation of the Members of the Senate that the committee received, so that we may expedite the passage of the bill and dispose of the question of slum clearance and public housing in the United States.

Mr. President, as the Senate well knows, few subjects have received such exhaustive congressional study and consideration as the problem of housing. The Senators who were here during the Seventy-ninth and Eightieth Congresses will recall the extended hearings and investigations which were conducted over a period of 4 years, both by special committees and by the Committee on Banking and Currency. They will likewise recall the extended hearings and investigations which were conducted over a period of 4 years, both by special committees and by the Committee on Banking and Currency. They will likewise recall the thorough floor debates leading up to Senate approval, by wide majorities, of the bi-partisan general housing bills which were the product of those studies.

Nevertheless, despite this earnest and painstaking consideration of the problem and the wide areas of agreement reached in this body, the major content of those previous general bills is still not on the statute books. Various provisions in those bills dealing with further credit aids for privately financed housing were enacted separately at the special session last summer. But the most serious problem areas in housing covered by those bills still have not been dealt with. These are the establishment of a comprehensive national housing policy and objective, the authorization of Federal aid to communities for slum clearance, the renewal of Federal aid to communities for low-rent public housing, the

establishment of an executive Federal program to improve housing conditions on farms and in rural areas, the authorization of a comprehensive program of housing research aimed at improving and modernizing the whole process of housing production and marketing and at placing the housing industry in a much stronger position to serve the large long-range housing needs of the Nation.

After the opening of the present session of the Congress, numerous bills dealing with a wide variety of housing proposals were introduced in the Senate. In particular, two bills dealt with the unenacted portions of the preceding general bills. Senate bill 138 embodied the recommendations of the administration. Senate bill 709 represented the views of a group of Republican Senators. While there were various differences as to details, the only substantial difference between these two bills was with respect to the size of the public housing authorization. In addition, bills were introduced dealing with other phases of the housing problem.

In the interest of expediting action on this serious problem, the Committee on Banking and Currency decided to consolidate hearings on these various bills. Under the able chairmanship of the junior Senator from Alabama [Mr. SPARKMAN], the Subcommittee on Housing and Rents held 13 days of hearing between February 3 and February 21 and heard more than 75 witnesses representative of all the major groups and organizations having a major stake in housing.

After the conclusion of the hearings, the committee determined to give first consideration to the major unenacted programs of the previous general housing bills—programs which have been thoroughly considered and on which substantial agreement has been reached. In pursuing this course, the committee is not contending that these programs cover every phase of the extremely complex housing problem or that they constitute together the full comprehensive housing programs which the Nation needs. However, on the basis of the testimony it has heard and of the evidence of earlier investigations, the Committee does feel strongly that these programs represent the essential foundation for such a comprehensive program.

Before reporting this bill favorably the committee gave full consideration to the numerous recommendations and criticisms advanced in the course of the testimony, as well as to the findings of previous congressional investigations. The Subcommittee on Housing and Rents went over the bill virtually line by line, and adopted numerous perfecting amendments before making its recommendations to the full committee. The full committee in turn gave very careful study to the major provisions of the bill. I venture to say that no major piece of legislation has received more thorough committee consideration than the pending measure.

The present bill, S. 1070, represents a general reconciliation of the differences between S. 138 and S. 709 with respect

to the basic programs, and also incorporates a number of amendments based on recommendations and suggestions advanced by witnesses during the course of the hearings, or considered desirable by the committee during its consideration of the bill in executive session. I, for one, wish to express my deep gratification that it has been possible to achieve general agreement among the various sponsors of S. 138 and S. 709, and thus continue the bipartisan support of housing legislation which is merited by the national importance of the housing problem. I am confident that this sentiment is shared by the Senators on both sides of the aisle who have given such strong and consistent support to the solution of that problem.

In considering the bill in executive session, the committee reconciled a number of the differences between S. 138, the administration bill, and S. 709, the Republican bill. As I indicated previously, the most important difference related to the size of the proposed public-housing program, with the administration bill calling for 1,050,000 units over a 7-year period and the Republican bill calling for 600,000 units over a 6-year period. The committee felt that a reasonable compromise would be the figure of 810,000 units over a 6-year period, which is now the proposal in S. 1070.

The committee bill, S. 1070, also adopted a number of provisions which were contained in the Republican bill. For example, S. 1070 authorizes payments in lieu of taxes on public housing projects at the rate of 10 percent of shelter rents, which was the proposal in the Republican bill. It also continues the exemption from income taxation on local housing authority bonds, in line with the Republican bill, but contrary to the proposal in S. 138 for the removal of this exemption.

Mr. President, I digress here to ask that at the end of my remarks there be printed telegrams from the mayors of cities throughout the United States addressed to the secretary of the conference of mayors, Mr. Paul V. Betters, in approval of the pending bill. I am happy to have these telegrams printed. I was a member of the distinguished body called the conference of mayors many years ago, and I greatly appreciate the telegrams they have sent.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. CAIN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Washington.

Mr. CAIN. I wonder if the Senator from South Carolina would like more fully to establish the position which is held by Mr. Paul Betters, to whom he has just referred. What is his official capacity?

Mr. MAYBANK. I have always known him to be the executive secretary to the United States Conference of Mayors. Prior to that, back in 1932 or 1933, I think he was in the board of trade here.



Mr. CAIN. I raised the question only because to my knowledge there are only two national associations to which municipal officials and mayors belong. If I am not mistaken, Mr. Betters is the executive director or secretary of the organization known as the United States Conference of Mayors.

Mr. MAYBANK. The Senator is correct.

Mr. CAIN. As distinguished from the American Municipal Association.

Mr. MAYBANK. I shall furnish for the RECORD a statement of the United States Conference of Mayors, along with the telegrams and statements of the mayors. I belonged to that association when I was mayor of Charleston, S. C., as I assume the Senator from Washington belonged to it when he was mayor of Tacoma.

Mr. CAIN. Will the Senator permit me to say that if I am not mistaken membership in the United States Conference of Mayors is confined to mayors of those cities whose population is in excess of 50,000?

Mr. MAYBANK. That is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not also true that the other municipal association, namely, the Federation of State Groups of Municipalities, has endorsed the principles of the pending bill?

Mr. MAYBANK. That is my understanding. I referred to the municipal association, I may say to the Senator from Illinois, because they were so much interested. No doubt they called on the Senator, as they called on me, in connection with Senate bill 138, as to the taxing of municipal bonds. We have had many conferences, and we conferred generally with them at one time.

I may say that, in my judgment, the United States Conference of Mayors is a great organization, doing a great work for the people of the cities of the United States, and a most capably organized group.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Will the Senator from South Carolina yield for the presentation of a conference report on the ECA bill?

Mr. MAYBANK. I ask the distinguished senior Senator from Texas [Mr. CONNALLY] if he would mind permitting me to conclude. It will take me but 5 minutes. I know the Senator has the right-of-way.

Mr. CONNALLY. I shall not interrupt the Senator at this time.

Mr. MAYBANK. I thank the Senator.

Mr. President, S. 1070 incorporates the language of the Republican bill in authorizing a census of housing as part of the 1950 and subsequent decennial censuses. In addition, a number of technical amendments were adopted in S. 1070 which followed the line of S. 709, or represented a reconciliation between the proposals in that bill and those in S. 138.

I believe I should make clear at this point that while the broad provisions of the bill now under consideration are fun-

damental to any comprehensive and effective housing program, there also are other relatively urgent phases of the housing problem which require attention and action. These include the need for developing a practical means for providing good housing for middle and lower middle income families who have been largely priced out of the new housing market by the costs, prices, and rents generally prevailing today. They include the need for modifications and improvements in FHA insurance of private sales, rental, and cooperative housing, in order to give greater stimulus to the production of housing of sound standards at more moderate sales prices and rents. They also include the related question of necessary revisions in the Federal Government's secondary market facilities for GI loans and FHA-insured mortgages.

Extensive testimony also was heard on these problems during the hearings, and the Committee on Banking and Currency intends to give prompt consideration to the bills dealing with these matters in order to make recommendations to the Senate on the further measures necessary to complete a well-rounded, comprehensive housing program.

I wish to emphasize, however, that the programs contained in S. 1070 attack the main, bedrock problem areas in housing, and therefore rightfully should be the first order of housing action by the Senate.

This bill would offer genuine and effective relief to the housing plight of many low-income families living in the slums or in substandard rural housing. I call the attention of the Senate to the fact that 21.8 percent of our non-farm families had total money incomes of less than \$2,000 in 1947, and 33.2 percent had money incomes of less than \$2,500. These are the families which have been worst hit by the housing shortage and by the persistence of bad housing conditions in this country; these are the families which would directly benefit from the program of low-rent public housing authorized in the pending bill, both in the cities and in rural non-farm areas.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I may say to my distinguished friend from the State of Washington, a member of the committee, that the conference report on ECA has the right-of-way, of course, and I do not think I should hold up that conference report. I shall be glad to yield when I conclude my remarks.

Mr. President, this bill would for the first time extend Federal financial assistance to communities for the acquisition and clearance of slums and blighted areas, so that those areas can be soundly redeveloped. I call the attention of the Senate to the fact that approximately one out of every five city families is living today under slum conditions and that these conditions have existed and have spread for generations. Experience has shown conclusively that real progress in slum clearance is beyond the resources of private enterprise and of State and local governments unless the Federal Government lends its assistance.

The bill would set into motion the kind of intensive research program that is needed to gear the operations of the housing industry to the long-range needs of the Nation and to make decisive progress in overcoming the basic problem of excessive housing costs.

The bill would aid in the solution of the problem of bad housing conditions on American farms and would go so in close coordination with over-all Federal programs of assistance to agriculture. I call the attention of the Senate to the fact that a much higher proportion of farm housing than of city housing is in bad condition and that many farm families have insufficient income to finance needed improvements to their homes and other farm buildings, without Federal help.

I attach great importance also to the fact that the pending bill would, for the first time, define our national housing policy and our national housing objectives. For 17 years, the Congress has been legislating on housing without having determined the broad goals we are seeking or the broad framework for our progress toward those goals. The lack of such a statement has been a handicap to the most effective administration of the piecemeal housing programs which the Congress has enacted. Industry, labor, and communities have been similarly handicapped by the absence of a clearly defined national policy and objective.

In my opinion, the declaration of national housing policy in section 2 of the pending bill is fully in keeping with the best ideals and traditions of the Nation, as well as with our unparalleled national resources and living standards. It recognizes the importance of decent housing and adequate housing production to the national welfare and sets up as a goal the realization as soon as feasible of a decent home and suitable living environment for every American family—in cities and small towns, in rural areas, and on farms. It likewise recognizes the primary role of private enterprise and of community responsibility in meeting the housing problem, with Federal aid being based on helping to meet those needs which otherwise could not be met. It requires also that all the housing activities of the Federal Government shall be carried out within the letter and spirit of this policy declaration.

I should like to emphasize my firm belief in the entire philosophy of the bill. There is nothing in the bill which smacks to me of Federal dictation. There is no authority in it anywhere which would permit the Federal Government to force any program on any community. Throughout the bill and in our report we have emphasized the responsibility of the local authority in initiating, developing and managing the local programs and making the necessary determinations in connection with them. For instance, the responsibility for fixing income limits and for making any and all necessary revisions in them is a matter for local responsibility and determination, subject only to approval of such locally fixed limits by the Public Housing Agency.



The bill would aid and strengthen private enterprise. It recognizes that private enterprise must be relied upon to do most of the housing job and should be helped to serve more of the need than it now does. The bill would protect private enterprise against any competition from public housing and would give it maximum opportunity to participate in the rebuilding of slum areas. Finally, the full benefits of the housing-research program authorized in the bill would accrue to the private housing industry.

The enactment of the bill will be another historic milestone in the efforts of the Nation to protect and advance the welfare of the American people. The enactment of the bill will make it clear to all our people and to the world that the American Government will not stand by and allow millions of our families to live out their lives in slums or shacks. It will make clear our determination to proceed as rapidly as feasible toward a goal of decent homes for all families—urban and rural alike.

I am confident that the bill will move forward rapidly to final enactment.

#### EXHIBIT 1

BIRMINGHAM, ALA., April 12, 1949.

PAUL V. BETTERS,

Washington, D. C.:

The housing and slum-clearance bill up for consideration this week in United States Senate is one of the most vital needs of the cities of our country. We urgently recommend its passage and as president of the United States Conference of Mayors, and in behalf of the United States cities, we respectfully ask of the Senate that they give this bill their earnest consideration, and we pray for the passage of this act, because from the slum areas of the cities we know crime, communism, and disease thrive and prosper. Housing in many cities is a dire necessity due to crowded conditions, especially in the lower-income groups. Sixty percent of the population of our country live in urban areas today, and we the mayors of the American cities deplore the slums and the housing situation, but financially we can do nothing without the passage of the housing and slum bill now before our Senate, and may I urge you as our executive director to let our Senators and Representatives know we will appreciate deeply their efforts to eliminate this cancerous growth on our American way of life.

W. COOPER GREEN,  
President, United States Conference  
of Mayors, Mayor of Birmingham,  
Ala.

PITTSBURGH, PA., April 12, 1949.

PAUL V. BETTERS,

Washington, D. C.:

Pittsburgh desperately needs housing action contemplated in Senate bill 1070. Our local housing authority has long had applications pending for 7,000 low-rent homes. Our actual need is much greater. And it is my hope that we will double that figure when the bill is passed. Present new housing in Pittsburgh is not being built within price range of low or even little income families. Only public housing can meet needs of the lower-income groups and wipe out once and for all the slum environment which has been a blot on the boasted American way of life. For private housing developments the urban redevelopment sections of the bill are vital to restore solvency of American cities. Blighted areas must be cleared and rebuilt. We in Pennsylvania are combining State and city action for this pur-

pose, depending on Federal aid to complement our program. I am sure that every public official in the city administration joins me in urging prompt congressional approval of Senate 1070.

DAVID L. LAWRENCE,  
Mayor, City of Pittsburgh, Vice President,  
the United States Conference  
of Mayors.

BALTIMORE, MD., April 12, 1949.

PAUL V. BETTERS,

United States Conference of Mayors,  
Washington, D. C.:

Senate housing bill S. 1070 offers best opportunity ever for cities such as Baltimore to carry out badly needed slum-clearance and redevelopment program. Our plans have been under way for a long time and we now urgently need financial assistance provided in S. 1070. Provision of adequate quantity of low-rent public housing for families of low income absolutely necessary in connection with slum-clearance and redevelopment program. Housing shortage in Baltimore still acute. Although high home-building rate in Baltimore area last 2 years, new houses started were 6,000 below increase in family formation. Large proportion of dwellings too high priced for most families. Slight increase available rental units does not meet demand of moderate- and low-income groups, either in quantity or in price. Housing authority has about 20,000 applications on file. Over 8,000 new applications received at housing authority last year. Recent survey of applicants shows more than two-thirds have total family incomes below \$2,500. Over nine-tenths of all applicants lived under substandard conditions. Fifteen percent of applicants were eviction cases. Poorly housed low-income families in dire need of decent houses constitute bulk of applications on file. Steady flow of new applications is thus good index of continuing need for decent low-rent public housing in Baltimore. Passage of S. 1070 only way to provide for desired goal of slum clearance, redevelopment, and additional good housing for low-income families.

THOMAS D'ALESSANDRO, Jr.,  
Mayor of City of Baltimore, Chairman  
of Standing Committee on Legisla-  
tion, United States Conference of  
Mayors.

APRIL 12, 1949.

PAUL V. BETTERS,

Executive Director, the United States  
Conference of Mayors:

The housing shortage in New York City has been one of our most critical problems since the end of the war. Every action open to the city has been taken since January 1, 1946, and we have put under construction the largest program of low-rent housing ever attempted. Despite a record building program, New York City needs the help of the Federal Government to make any real headway in solving its serious problem of housing for families of low income.

The housing and slum-clearance bill reported by the Senate Committee on Banking and Currency is an excellent bill. It offers real hope of decent homes to the Nation's lowest income group. New York City is prepared to put its share of housing in planning immediately. We have sufficient construction firms and labor to build at least 10,000 apartments each year of the life of this program, in addition to our present construction program.

New York City recommends approval of the slum-clearance provision now in the Senate bill. Large areas of slums in New York City need clearance and redevelopment. The bill would permit a large amount of such work which could not be done without Federal assistance.

By passing the pending housing bill, Congress will take a positive step toward solving the housing crisis.

WILLIAM O'DWYER,  
Mayor of New York City.

PHILADELPHIA, PA., April 12, 1949.

Hon. PAUL V. BETTERS,

United States Conference of Mayors:

The city of Philadelphia is doing everything humanly possible to recreate here the best possible environment for living and working. Because of financial limitations, it will be necessary to have the assistance of the Federal Government if we are to achieve our high goal of civic improvement.

In the program of redevelopment of old areas, Federal assistance will be necessary in helping to meet the cost.

This same assistance must be forthcoming to solve the problem of production of an adequate quantity and quality of housing for all elements of our population especially for families of low income.

Better housing conditions and slum clearance, of course, would be reflected in the cost of the operation of our police and fire units. Bright, cheerful homes, and adequate space for recreational activities would go a long way toward reducing delinquency among the youth of the city.

The method for giving us the required Federal assistance will be for Congress to determine.

BERNARD SAMUEL,  
Mayor of Philadelphia.

DETROIT, MICH., April 12, 1949.

PAUL V. BETTERS,

United States Conference of Mayors,  
Washington, D. C.:

Housing shortage Detroit city, estimated at 50,000 families lacking own home, living in rooms, trailers, or with another family. Additional 48,000 dwelling units needing major repairs or lacking water or minimum sanitary facilities. Present waiting list eligible families for public housing 8,700 families is highest ever, despite efforts of local authority to discourage applicants. Expressways, slum clearance, playgrounds, and other public improvements already programed expected dislodge 10,000 families next 5 years, of whom estimated 6,000 eligible public housing. In addition 6,500 families in temporary war and veterans housing to be rehoused. Estimated 40,000 families in Detroit have annual income below \$2,000 and additional 70,000 between \$2,000 and \$3,000. Thus, approximately 100,000 families eligible public housing. Immediate need for low-rent housing conservatively estimated 50,000 families. Now have 5,000 permanent public housing units. Seven thousand three hundred and seventy-six private housing started year ending March 1 were only 45 percent previous 12 months. Total new multiples for rent started were 635. Virtually no rental housing built since war rents below \$80 per month, 85 percent of it rents \$80 or more, median rent available homes over \$100. Slum clearance program essential to preserve city's tax base. City plan commission has designed 2,520 acres in need redevelopment. Present annual average tax revenue \$864 per acre. If privately redeveloped would yield \$2,304. Increase would pay city's third net project cost in 10 years. Public housing 10 percent shelter rent in lieu would amount to \$700 per acre. Redevelopment 80 percent private, 20 percent public housing, would pay city's share costs in 12 years. Data juvenile delinquency, health, fire costs, and so forth, and more detailed data of above summary air-mailed to you today.

Mayor EUGENE I. VAN ANTWERP,  
Per JAMES H. INGLIS,  
Detroit Housing Commission.



SAN FRANCISCO, CALIF., April 13, 1949.

PAUL V. BETTERS,

*United States Conference of Mayors,  
Washington, D. C.:*

San Francisco housing shortage still acute. No exact data available but vacancies hard to find anywhere in bay area. San Francisco Housing Authority waiting list 3,521; 7,700 temporary dwellings and 1,750 low-rent dwellings fully occupied. Housing authority has removed over half of families ineligible because of incomes over income limits; is removing more each month. San Francisco real property survey 1939 revealed approximately one dwelling of every six was substandard. Ratio today probably about the same. Low-rent housing market analysis 1945 showed approximately 26,000 families in need. Housing authority contemplates 5,000 new low-rent dwellings if housing bill enacted. This housing essential to relocated families living in areas scheduled for redevelopment. Redevelopment areas expensive to acquire and clear. City will need Federal loans and capital rent subsidies to enable private enterprise to rebuild in blighted areas. San Francisco planning and housing association, citizen's group 1947, compared same size good and bad neighborhoods. Studies showed the following: Bad neighborhood, 100 juvenile delinquents; 762 public welfare cases; 4,771 adult arrests. Good neighborhood, 17 juvenile delinquents; 38 public welfare cases, 39 adult arrests. Bad neighborhood had twice the fires, 36 times as many tuberculosis cases; 66 times as many city hospital cases; 3 times as many babies died. Municipal services in bad neighborhood cost \$750,000; in good neighborhood \$86,000. Tax revenues from bad neighborhood were \$370,000; in good neighborhood, \$543,000. Bad neighborhood is in area designated for redevelopment. Yesterday, April 11, 1949, San Francisco Board of Supervisors passed resolution endorsing S. 1,070, Housing Act of 1949.

ELMER E. ROBINSON,  
*Mayor of San Francisco.*

BOSTON, MASS., April 13, 1949.

PAUL V. BETTERS,

*United States Conference of Mayors:*

Please record my wholehearted support of S. 1070 which it is expected will reach the Senate floor this week. Boston is 300 years old and possibilities of clearance of substandard areas and erection of new housing for low-income families with Federal aid would be a boon to this city. These twin problems are so great that this city cannot solve its problem alone. The Federal Government with broader tax base is better equipped to give substantial help. Conservative estimates indicate 50,000 substandard homes in Boston out of 210,000 dwelling units or 24 percent, with depreciation and obsolescence growing daily. In this city 14,000 dwellings now standing were built before 1860. 37,000 built before 1880, 80,000, or 38 percent, built before the turn of the century. Only one family out of five owns its own home, making Boston a city of rent payers. Whole areas of the city are in need of clearance, replanning, and redevelopment. Boston Housing Authority in receipt of 21,200 applications for tenancy between VJ-day and November 1948, at which time applications were shut off because of utter inability to offer hope to sorely pressed citizens, great majority of which are veterans with young families. Ten thousand new families formed in this city between decennial censuses of 1930 and 1940 with 10,000 marriages above average in four war years. Vacancies practically nonexistent here. Courts are clogged with eviction cases and are authorized by legislation to grant up to a year leeway before families are required to vacate. I have authorized expenditure of \$20,000,000 city funds for housing and State program in Boston au-

thorizes an additional \$48,000,000, which, together only begins to solve the problem. Boston can use many millions of Federal aid to help in solving its problem. Urge the honorable, the Members of the Senate to pass S. 1070 substantially as written. Would, however, request that construction cost limits, which finally made United States Housing Act of 1937 unworkable, not be included in legislation. Better that such limits be tied to regional construction costs limits or left to administrative discretion. This is an excellent opportunity for the Senate to enact legislation to provide homes for good Americans, and thus bulwark the Nation against inroads of atheistic communism which nurtures where poor housing conditions exist.

JAMES M. CURLEY,  
*Mayor of Boston, Boston, Mass.*

MILWAUKEE, WIS.

PAUL V. BETTERS,

*United States Conference of Mayors,  
Washington, D. C.:*

Estimate need for 5,000 additional units in Milwaukee to ease housing shortage. Estimate additional 35,000 units needed to replace substandard units. Approximately 20,000 units should be low rent. Without Federal aid it is impossible to build housing for those families which are low income. In 2 weeks time received almost 4,000 active applications for 578 units of veterans' permanent housing; also have received almost 1,000 applications for 232 low-rent slum-clearance units. City has almost exhausted its own resources in building veterans' permanent housing. Seventeen thousand veterans' applications on file with Red Cross bureau. Approximately 30 percent of city is blighted. Average weekly wage of skilled labor about \$60, meaning worker can afford only \$6,000 home. Lowest cost house at present level about \$7,000, effectively blocking individual ownership because banks won't lend. Private rental units are \$90 monthly and up. Greatest need in 50 to 60 bracket. Private builders not interested in slum clearance unless with Government subsidy. Present vacancy rate about four-tenths of 1 percent.

FRANK P. ZEIDLER,  
*Mayor of Milwaukee.*

KANSAS CITY, MO., April 12, 1949.

PAUL V. BETTERS,

*United States Conference of Mayors,  
Washington, D. C.:*

Kansas City has at present no public housing program. We are greatly in need of such enabling legislation. Housing authority and city plan commission estimate need for 4,500 units low-rent public housing. Kansas City's blighted areas cost city approximately 45 percent of city service costs and contribute only 6 percent real-estate-tax revenue. It is estimated 33 percent of population resides in blighted areas which account for five times city average of TB cases, six times the juvenile delinquency cases, three times the fire calls, and ten times the police calls above the city average. Sixty-nine and nine-tenths percent of commitments to local penal institutions are of persons residing in these areas and 74 percent of all new parole and probation cases are from same districts.

Mayor WILLIAM E. KEMP.

CINCINNATI, OHIO, April 13, 1949.

Col. PAUL V. BETTERS,

*Washington, D. C.:*

Housing shortage here dangerous and unabated so far as low-income families are concerned. Overcrowding in this group at all-time high. Need estimated at four or five thousand low-rent public housing units during next few years. Our public health federation studies show white mortality in our slums three times higher for tuberculosis, pneumonia, and home accidents than in rest

of city. In one of our slum-clearance projects, Laurel Homes, tuberculosis, pneumonia, infant mortality rate, crime rate, and fires per 1,000 dwellings less than for city as a whole.

ALBERT D. CASH,  
*Mayor.*

NEWARK, N. J., April 13, 1949.

PAUL BETTERS,

*Secretary, United States Conference of  
Mayors, Washington, D. C.:*

Newark has 118,550 dwelling units of which 38,423 are of slum character. Of our 44,451 residential structures, 4,718 are not fit for human habitation; 98,041 units are occupied by renters, 27.6 percent of our residential structures were constructed before 1900, and 41.1 between 1900 and 1919. Average rental of units in Newark is \$33.36. Nineteen percent rent for less than \$20 per month per unit and 31.6 rent for between \$20 and \$30 per month. Only 4,000 private units constructed since 1930 and 3,000 public units. About 8 percent of Newark area occupied by substandard dwellings and total habitable area is only 20 square miles practically none of which is vacant land. Estimated present population, 480,000. We need 10,000 additional low-cost units and 15,000 additional units for moderate-income families. These cannot be supplied without first clearing land by slum elimination.

Mayor VINCENT J. MURPHY.

SEATTLE, WASH., April 13, 1949.

PAUL V. BETTERS,

*United States Conference of Mayors:*

Recent Seattle market survey completed this year by city and University of Washington shows 14,750 substandard units in Seattle proper of which 5,300 are tenant occupied by families of two to six persons. Recent study by Seattle Housing Authority based on figures revealed in market survey sets need for units to rent under \$40 per month, conservatively, at 8,839. In contrast to this need, survey conducted early this year by VFW shows that of 261 units one to three rooms advertised for rent 74 percent rented for \$50 or more while of 241 units four to six rooms 94 percent rented for \$60 or more. Our Authority still receiving 120 applications weekly on average from veterans unable to afford market price for decent housing. In light of these facts, need for slum clearance to wipe out substandard housing and construction of housing for low income appears obvious. Best wishes to you in your efforts to get facts before Senate.

WILLIAM F. DEVIN,  
*Mayor, City of Seattle.*

MINNEAPOLIS, MINN., April 12, 1949.

PAUL V. BETTERS,

*United States Conference of Mayors,  
Washington, D. C.:*

Four years after the war the housing shortage still exists in Minneapolis. Many examples of suffering and crowding still remain. The office of the Housing Administrator has a backlog of 2,200 applicants for housing. Sixty percent of these applicants are members of the marginal income group, with an annual income below \$3,000. Ceiling prices of old homes have not decreased sufficiently for members of this group to make purchases, nor are they capable of buying new houses. The City Welfare Department with many indigent and others unable to command housing, is hard put to find shelter for those on relief. Families of six and eight people are often housed in hotel rooms.

Veterans groups are grateful for the temporary housing which was established in Minneapolis. However, the discomforts of such housing are more evocative of war-time life than the years of peace. Upon these veterans will fall the continued problems of housing unless permanent housing is pro-



vided for them and other people in Minneapolis.

Three thousand six hundred and seventy persons now occupy temporary housing units; 2,045 of this group are children, inheritors of the suffering indigenous to life among the prefabs and temporary housing units.

Between 1,000 and 2,000 low-rent housing units are needed in Minneapolis. The import of the term "low rent" is best exemplified in the statistics of a survey made by the Minneapolis Housing and Redevelopment Authority. The surveyed area included a blighted section on the near north side of Minneapolis. A income group pays \$38 per month rent in this area; B income group pays \$30; and C income group, comprising one-fifth of the entire group, pays \$21 per month. However, slum clearance cannot be effected without appropriate plans in hand for the establishment of low-rent housing units in the area cleared. Such a program of clearance and of redevelopment is hamstrung in Minneapolis by the lack of Federal funds. The tragedy of this situation is that substandard dwellings will have to remain to provide shelter. Such inadequate shelter has always been the breeding ground of juvenile delinquency. Families who live in such homes are highly susceptible to disease, just as they also become susceptible to criminal activities. Poor housing leads in part to increased cost in maintaining penitentiaries. Three statistics on the Sumner field housing project show that since the establishment of the project the number of fires in the area decreased one-third. Dollar loss per fire decreased between 1940 and 1948 to \$36 per fire, as compared to \$193 in the area previous to redevelopment. Police cost in the area dropped 90 percent. Prof. Stuart Chapin of the Department of Sociology at the University of Minnesota in his survey of the project in 1940 pointed out that people living in the Sumner field units developed twice as much social participation in the civic affairs of the neighborhood and city. This increased not only the moral tone of the city but the lives of these people. This comparison was made in terms of the people occupying substandard shelter in surrounding blighted areas.

The need for low-rent housing should be considered primarily in terms of the American principle of preserving American family life. Home life is the basis of family life, and the destruction of family life spiritually and materially has too often been caused in the years since the war by inadequate dwellings.

Sincerely yours,

ERIC G. HOYER,  
Mayor.

ATLANTA, GA., April 13, 1949.

PAUL V. BETTERS,  
United States Conference of Mayors:

The city of Atlanta is vitally interested in the passage of a comprehensive housing and slum-clearance bill. There is still great need for housing in the low-income class both white and colored. Also there are still large slum areas which need clearance in the central and semicentral portion of the city. There are thousands of applications for the housing units we now have which cannot be filled. Quite a number of apartment buildings have been built in Atlanta under FHA loans, but they are too far out in the suburbs to serve our working people and those of moderate income. Also the rents are completely above the low-income class. The city of Atlanta has great need for an additional program of slum clearance and low-cost housing.

WILLIAM B. HARTSFIELD,  
Mayor of Atlanta.

TOLEDO, OHIO, April 12, 1949.

PAUL V. BETTERS,  
Executive Director,  
United States Conference of Mayors:

We cannot too strongly emphasize the importance of legislation assisting cities with the elimination of slums and construction of housing for persons of low income. Today the most valuable areas in Toledo from the standpoint of facility and proximity to the center of activity are occupied by slums which create real problem in law enforcement and health.

MICHAEL V. DISALLE,  
Mayor, City of Toledo.

MEMPHIS, TENN., April 12, 1949.

PAUL V. BETTERS,  
Director, United States Conference of Mayors:

Because the central portion of Memphis is traversed by five major bayou systems the adjacent areas invited construction of poorest type of shelter. Most of the so-called housing was provided more than 40 years ago and represents nearly 14,000 units unfit for repair in an area of more than seven square miles. No slums have ever been cleared here except through public improvements and building of five public housing projects. Believe private enterprise would cooperate in redevelopment if slum sites could be made available at reuse values. Memphis needs at least 7,000 low-rent public-housing units and should apply for at least half that number if present legislation is enacted. The existing public housing program of 3,300 units is divided 28 percent for white and 72 percent for Negro occupancy and future programs, based on need, should be apportioned likewise.

WATKINS OVERTON,  
Mayor, City of Memphis, Tenn.

PROVIDENCE, R. I., April 12, 1949.

PAUL V. BETTERS,  
United States Conference of Mayors,  
Washington, D. C.

Providence program for slum clearance and redevelopment requires passage of Senate bill 1070 to provide low-rent housing for displaced families of low income. Vital programs for new highways, playgrounds, industrial sites, as well as slum clearance are being delayed by a housing shortage.

DENNIS J. ROBERTS,  
Mayor of Providence.

NORFOLK, VA., April 13, 1949.

PAUL V. BETTERS,  
Executive Director,  
United States Conference of Mayors:

Acute shortage exists here respecting housing accommodations at rentals within reach of vast majority of our people. Concern of commandant of Fifth Naval District is indicative of the general situation. Recent survey by commandant discloses 2,347 Navy personnel in Norfolk area who desire to bring their families to this area but who are unable to do so because of housing shortage; 3,077 families of Navy personnel in this area now occupying trailers, rooms, and other inadequate housing.

Estimated minimum need for low-rent public housing 3,000 units. Nineteen hundred and forty housing census revealed 9,000 substandard units occupied by Negroes, 6,000 substandard units occupied by whites. While there is no later survey available, this situation has certainly not improved. City now plagued with many blighted areas which we hope to eliminate progressively through redevelopment and public-housing projects.

Norfolk's interest in slum clearance and public housing evidenced by recent appropriation of \$25,000 to the Norfolk Redevelop-

ment and Housing Authority for a study, planning and programing. Low-rent public housing in Norfolk efficiently operated, but grossly inadequate in scope. Administrative heads of health, fire, and police departments and judge of juvenile court report a very high rate of disease, delinquency, and crime in slum areas with correspondingly high servicing costs and very favorable demonstration of effectiveness of public housing. Study made in 1937 of certain slum areas comprising 1 percent of our total area and containing 14 percent of our population showed that the cost of city services in those areas exceeded the tax returns therefrom by \$750,000. City vitally interested in passage of a comprehensive housing bill embracing public housing and urban redevelopment.

PRETLOW DARDEN,  
Mayor, Norfolk, Va.

Mr. McCARTHY. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. I may say to the Senator from Wisconsin that the Senator from Texas [Mr. CONNALLY] desires to bring up for immediate consideration the conference report on the ECA bill, which is a privileged matter. I assured the Senator from Texas that when I had completed my statement I would first yield to him.

#### EXTENSION OF THE EUROPEAN RECOVERY PROGRAM—CONFERENCE REPORT

Mr. CONNALLY. Mr. President, I thank the Senator from South Carolina.

I submit a conference report on Senate bill 1209, providing for the extension of the European recovery program, and I ask for its present consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read the report, as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the fourth and fifth sentences of section 10 (a) of the Economic Cooperation Act of 1948 are hereby amended to read as follows: 'Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through their joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to encourage the unification of Europe, and to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.'



"SEC. 2. The second sentence of section 104 (e) of such Act is hereby amended by striking out '\$10,000 per annum' and inserting in lieu thereof 'the highest rate authorized by such Act'.

"SEC. 3. The first sentence of section 105 (c) of such Act is hereby amended by striking out 'section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended,' and inserting in lieu thereof 'the Export Control Act of 1949'.

"SEC. 4. Section 108 of such Act is hereby amended by adding at the end thereof the following new sentences: 'There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the Act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United States Special Representative or in the event of a vacancy in the office of United States Special Representative.'

"SEC. 5. The last sentence of section 109 (a) of such Act is hereby amended by striking out the period and inserting in lieu thereof a semicolon and the following: 'and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Act of August 13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate.'

"SEC. 6. (a) The last sentence of paragraph (2) of section 111 (a) of such Act is hereby amended to read as follows: 'The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, as far as is practicable, that at least 50 per centum of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services, is so transported on United States flag vessels to the extent such vessels are available at market rates for United States flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States flag vessels in cargoes by geographic area.'

"(b) Paragraph (3) of section 111 (b) of such Act is hereby amended in the following particulars:

"(1) By inserting after 'projects' a comma and the following: 'including expansion, modernization, or development of existing enterprises' and a comma;

"(2) By inserting after 'media' the following: 'consistent with the national interests of the United States';

"(3) By striking out in the first proviso 'in the first year after the date of the enactment of this Act does not exceed \$15,000,000' and inserting in lieu thereof 'made in any fiscal year does not exceed \$10,000,000';

"(4) By amending subparagraph (1) thereof to read as follows:

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator plus actual earnings or profits on said project to the extent provided by such guaranty;";

"(5) By inserting after subparagraph (iii) thereof the following new subparagraphs:

"(iv) as used in this paragraph, the term 'investment' includes the furnishing of capital goods items and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950; and

"(v) the guaranty to any person shall be limited to assuring the transfer into United States dollars of other currencies, or credits in such currencies received by such person as earnings or profits from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency or credits on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith;"; and

"(6) By amending the next to last sentence thereof to read as follows: 'The total amount of the guaranties made under this paragraph (3) shall not exceed \$150,000,000: *Provided*, That any funds allocated to a guaranty and remaining after all liability of the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding.'

"(c) Paragraph (2) of section 111 (c) of such act is hereby amended in the following particulars:

"(1) By inserting after the second sentence thereof the following: 'In addition to the amount of notes above authorized, the Administrator is authorized, for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section, to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$150,000,000 less any amount allocated prior to April 3, 1949, for such purpose, until all liabilities arising under guaranties made pursuant to this authorization have expired or been discharged.'

"(2) By striking out the first two words, 'Such notes' in the third sentence thereof and inserting 'The notes hereinabove authorized'; and

"(3) By inserting after 'Washington' in the sixth sentence thereof 'for assistance on credit terms'.

"SEC. 7. (a) Section 112 (c) of such Act is hereby amended by striking out '25 per centum' and inserting in lieu thereof '12½ per centum'.

"(b) Section 112 (d) of such Act is hereby amended by adding after the words 'any agricultural commodity, or product thereof' the following: 'or class, type, or specification thereof'.

"(c) Section 112 (g) of such Act is hereby amended by striking out 'section 6 of the Act of July 2, 1940 (54 Stat. 714), including any amendment thereto,' and 'section 6 of the Act of July 2, 1940, as amended,' and inserting in lieu thereof 'the Export Control Act of 1949'.

"(d) Section 112 of such Act is hereby further amended by adding at the end thereof the following new subsections:

"(i) (1) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this title, the Administrator shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under this title by making available or causing to be made available to suppliers in the United States, and particularly to small independent en-

terprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds authorized under this title, and by making available or causing to be made available to prospective purchasers in the participating countries information as to commodities and services produced by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds authorized under this title.

"(2) The Administrator shall appoint a special assistant to advise and assist him in carrying out the foregoing paragraph (1). Each report transmitted to the Congress under section 123 shall include a report of all activities under this subsection.

"(j) The Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II.

"(k) No funds authorized for the purposes of this title shall be used in the United States for advertising foreign products or for advertising foreign travel.

"(l) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law) at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment.'

"SEC. 8. (a) Section 114 (c) of such act is hereby amended in the following particulars:

"(1) By striking out the period at the end of the first sentence thereof and inserting in lieu thereof a colon and the following: '*Provided further*, That, in addition to the amount heretofore authorized and appropriated, there are hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed \$1,150,000,000 for the period April 3, 1949, through June 30, 1949, and not to exceed \$4,280,000,000 for the fiscal year ending June 30, 1950: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1949, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1950, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year;'; and

"(2) By amending the last sentence of such section 114 (c) to read as follows: 'The authorizations in this title are limited to the period ending June 30, 1950, in order that the Congress may pass on any subsequent authorizations.'

"(b) Section 114 of such Act is hereby further amended by adding at the end thereof the following new subsection:

"(g). Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 798, Eightieth Congress), shall be made pursuant to subsection (c) of this section the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$1,000,000,000 to carry out the provisions of this title, in such manner, at such times, and



trally succeed where even Vanming, one member of the central committee of the Chinese Communist Party, an outstanding Communist personality and a close friend of Stalin's, had failed. Though Marshall's coalition scheme finally broke upon the rock of Chiang's opposition, his withdrawal from China, accompanied by a virtual cessation of all United States aid to the Chiang Kai-shek government, in effect represented a strategic victory for Mao against Chiang. It cleared the way for the current Communist offensives. With Chiang left to his fate, the way was open for a Soviet thrust into Asia at practically no risk. Soviet arms and military might flowed into the vacuum, and Chiang's unsupported armies were brushed aside. It would seem now that another mistake is to be added to the previous ones.

#### WOULD AID REDS

Mr. Hoffman, of the Economic Cooperation Administration, has been quoted as saying in Shanghai that even in the event of the Communists coming into control of the Government, United States economic aid to China would continue. Is it possible that the western diplomats have not yet understood that any kind of compromise with the Communists is a danger to world peace?

There is a myth, fostered with consummate skill and assiduity by Soviet propagandists, that the Chinese Communists, far from owing allegiance to theoretical Marxism or the Cominform, are only simple Oriental agrarians hungry for land and democracy. I have also heard the hope expressed by otherwise intelligent people in the west that Mao Tse-tung, though a self-avowed Communist, is really an agrarian nationalist, who, if pressed hard by the Kremlin, would rebel as Tito has done.

Concerning the Chinese masses enlisted under the Red banner, it can be confidently stated that their views will have no more influence upon Mao's decisions than is the case under other Communist dictatorships.

#### A TRUE BELIEVER

Mao himself is a dedicated Communist, a true believer. He has never deviated from the party line and was the first of the non-Soviet proconsuls to denounce Tito's heresy. If his victories continue, he will certainly go down in Asiatic history as the Lenin of China. Chu-teh, commander in chief of the Chinese Communists armies, is a talented military leader. A highly placed Soviet general described him in the following terms: "He could without any further training be put in command of any Soviet front and would carry out his duties as well as any Soviet marshal."

Chu-teh is not only a revolutionary Communist, but also an officer who went through the "correspondence course" of the Soviet General Staff Academy.

He is supported by good Soviet staff officers, the greater part of whom are of Chinese nationality. I saw him for the first time in Moscow in or about 1934, but I know that he visited the USSR quite often, and I also know that he commands unbounded authority among the Soviet military leaders.

#### WORKS WITH SOVIET

I could name a number of Soviet officers of all ranks who have been working under him for the past 10 to 15 years. The adroitness with which Chu-teh has maneuvered his armies during the past years suggests a special aptitude for managing mass armies. He and Mao complement each other. They form a powerful combination, the most dangerous pair now tramping the Asiatic stage, and are the revolutionary barometer in Asia. But to assume that they have produced these colossal results themselves as many do, is to miss the whole point of the struggle for Asia.

I myself never went to China for the Soviet government, but I have served with officers

who know the situation well, and I have also studied the question thoroughly.

The Chinese Communist army is some 2,300,000 strong. (The Chinese Communist party has 2,800,000 members.)

The higher staff posts are held by Soviet officers of Chinese, Korean, and Mongolian nationalities. Many of these were recently serving in the Soviet Army, went through the Soviet military academies and colleges, or else commanded Soviet military formations in the East.

#### EASILY OBTAINED

No one can estimate the number of Soviet officers now holding high-ranking commands or staff posts in Chu-teh's and Mao Tse-tung's armies. One thing is certain. There are many more of them than is realized in the West. One must also remember that there are a great many Chinese, Koreans, and Mongolians in the USSR. Finally, one should also bear in mind the existence of the Mongolian People's Republic under Choi Bolsan. The basis of the higher political personnel in the Chinese Communist army was made up of graduates from the Communist University of the Workers of the East (KUTV) in Moscow, and also from the Institute of the Peoples of the East in Leningrad, plus various workers' faculties, institutes, and universities in the USSR.

#### PLENTY OF WEAPONS

The Soviet areas of China now possess their own armament factories, most of which were built under Soviet direction. But there are not enough of them for the needs of the Chinese Communist army. After the defeat of Japan the Chinese Communists received masses of Japanese arms from the Soviet; in addition they are getting great quantities of arms of Soviet manufacture, but stamped with foreign markings. These include automatic weapons, artillery, machine guns, grenades, pistols, mortars, etc.

The Chinese Communist army has a large number of Soviet aircraft, mostly obsolescent. Radio equipment is practically wholly Soviet, except for that captured from Chiang Kai-shek, which is American. Paper used by Chinese Communists is practically all from the Soviet Union. An odd fact is that according to a treaty of June, 1945, the Soviet Government agreed to supply Chiang Kai-shek's government with arms. (This agreement was the biggest and stupidest mistake Chiang ever made.)

For the arms never reached Chiang. Mao-tse-tung's forces intercepted most of them on the way from the Soviet Union to Nanking.

#### CALLED WAR BOOTY

In this way the Chinese Communists could always claim that arms of Soviet origin in their possession were not actually supplied by the USSR but came under the heading of war booty. They thus saved any diplomatic embarrassment which might have arisen. The hidden source of power of Chinese communism is Outer Mongolia, now the so-called Mongolian People's Republic. This is the Soviet fortress. It maintains a very large, well-equipped national army which, in the higher echelons, is almost entirely Soviet-officered. Besides this, a purely Soviet formation—comprising all types of arms, air force, artillery, tanks, infantry, etc.—are quartered in Outer Mongolia. Soviet formations are being sent there quite openly for duty as they are sent to any other part of the Soviet Union. There was no demobilization of this force after the war—a significant fact.

#### CHIANG'S NEEDS

Chiang has been discredited as a military leader, but he still retains some political influence. What Chiang always lacked was a clean-cut progressive policy and slogans which would rouse the people to his support

in a struggle. In order to remedy the present situation special attention should be paid to what I have just said.

Chiang also needs strong military advisers, capable of appreciating the present serious situation. But all this will not be sufficient if Chiang does not get immediate support in arms, supplies, and technical equipment. If he falls and China passes under Mao's control the rest of the Asiatic pot, now simmering, will boil over.

The unexpected opportunities for mischief now opening to the Politburo in Asia are almost unlimited. Rehearsals have already taken place in Indochina, Burma, Malaya, and the Netherlands East Indies, and the Politburo has a stern picture of the situation there. The Politburo will now do everything possible and even strive to do the impossible in order to make the western powers disperse their armed forces in all the corners of the world—thus striking a mighty strategic blow. It is vital to the West to understand this. Stalin would then consider task two as under control. He could then turn to task one (Europe) with relatively free hands. If the West fails to challenge and check him in the East, the inevitable showdown in the West will almost certainly come much more quickly and under conditions increasingly to Stalin's advantage.

Mr. KNOWLAND. Mr. President, I ask to have printed an article which appeared in the Washington Post of April 4, 1949, referring to the statement of Mao Tse-tung, one of the top Communist leaders in China, who clearly stated that in the event of a showdown between Communist Russia and the western powers, the Communist forces in China would be found on the side of the Soviet Union.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### REDS PLEDGE CHINA TO WAR FOR RUSSIA—COMMUNISTS ISSUE STATEMENT ATTACKING NORTH ATLANTIC PACT AMID PEACE PARLEYS

NANKING, April 3.—The Chinese Communists said amid peace negotiations with the Nationalists tonight that they would unite the people of China to fight for Russia in any war between the Soviet Union and the North Atlantic Treaty nations.

A Communist broadcast quoted a statement signed by No. 1 Communist Mao Tse-tung and other leftist leaders, denouncing the western treaty and pledging aid to Russia in event of war.

Discussions for settling the 22-year-old war between the Reds and the Nationalist government continued behind closed doors in Peiping.

#### CEASE-FIRE PROPOSED

Details of the talks were kept secret, but the government party newspaper Central Daily News said the six-man Nationalist delegation led off with proposals for a cease-fire and the calling of a multi-party political consultation conference.

This report drew an indirect denial from official sources who said the early stages were devoted to mapping an agenda for discussion.

The Communist broadcast tonight said that, in event of war between east and west, even if it should start on the other side of the world, the Communists and their associated democratic parties would unite the people to "march forward hand in hand with the ally of China, the Soviet Union."

#### TREATY CALLED AGGRESSIVE

The joint Communist-leftist statement condemned the North Atlantic Treaty as endangering "peace and the security of mankind" by aiming at a "new aggressive world war."



It was signed by Mao and leaders of the Democratic League, which recently moved its headquarters north from Hongkong; the National Democratic Association, peasants-workers groups, and the National Salvation Society.

Meanwhile, travelers from North China reported that more than 3,000 university students suspected of anti-Communist thinking have been massed in a huge concentration camp near Peiping.

Thousands of persons—students, former government officials and private individuals—were reported fleeing southward in increasing numbers daily, trying to get into areas still held by the Nationalists.

The refugees journeying to South China travel mostly by rail and bus to Tsinan in Shantung province or to Tangku, the port for Tientsin, and then by ship to government-held cities.

The official military news agency reported that Gen. Lin Piao's Manchurian Communists had arrived in central China and attacked Hsinyang, strategic rail town 100 miles north of Hankow. Lin Piao's troops earlier were reported moving in a southerly direction toward Nanking.

Gen. Liu Po-shen's Communists at the same time were reported attacking Huayan, 50 miles to the south.

Communist attacks on the Yangtze River port of Anking, 145 miles southwest of Nanking, continued with "increasing fury," the agency said, while a small Nationalist bridgehead at Tuchiao, 50 miles northeast of Anking, was believed to have fallen to the Reds.

Mr. KNOWLAND. Finally, Mr. President, I wish to say that it seems to me that before this country develops its final plan for the implementation of the North Atlantic treaty, with such military assistance as may be necessary to preserve free nations of western Europe, this Government should take into consideration the needs of not only what is left of free China, but should also take into consideration the needs of the constitutional government of Korea.

Mr. President, the facts of the matter are that the military situation in south Korea is very precarious, and if not corrected immediately, it may lead to the ultimate destruction of the legal government of Korea.

I merely wish to point out facts which can be substantiated that indicate the north Korea Communist government has some 196,530 armed men at its disposal, while the legally constituted government of Korea, in south Korea, recognized by the United States, and established under a mandate of the United Nations, has less than half that number. The legal government of Korea is in urgent need of arms from this country if the people of that nation are to protect themselves against ultimately being overrun.

Mr. President, I again express the hope that those charged under the Constitution with the foreign policy of this Government, the President of the United States, the Secretary of State, and the able Foreign Relations Committee which we have representing the Senate, will start immediately to give their attention to developing a sound and consistent far eastern policy. At the present time it appears that we have no far eastern policy. The most recent statement attributed to the State Department is that, insofar as China is concerned, they are merely waiting until the smoke blows away to see what happens. By the time

the smoke blows away 450,000,000 Chinese may be behind the iron curtain.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. SPARKMAN. Mr. President, S. 1070, the Housing Act of 1949, is one of the most fundamental measures for the betterment of the living conditions of the American people ever to be considered by this body. Housing is a national problem, in the same profound sense that the cost of living, the conditions of industrial employment and production, the well-being of our agricultural economy, and the protection of our citizens against insecurity in employment and old age, are all national problems. The effect of bad housing conditions is felt in every city in the country, in small towns, in rural villages, and on the farms. Their effect bears heavily on the welfare of millions of American families, and on the welfare of their children, who will make up a high percentage of the next generation of American workers, farmers, businessmen, housewives, and mothers.

This legislation represents a long-studied and long-overdue effort to overcome the basic causes of these bad housing conditions. It seeks to apply the lesson taught by long and painful experience, that these causes can only be overcome through the resources of the Federal Government, operating in conjunction with the resources of local communities and private enterprise. This lesson is illustrated by the long existence of millions of city slums, rural shacks and dilapidated farm houses, and by the inadequacy of our private housing production as measured against the needs of the people as a whole.

Mr. President, I am sure that other Senators among the sponsors and supporters of S. 1070 will discuss the background and philosophy of the proposed legislation, and will describe the intensive study and consideration of these proposals in the course of the past 4 years. I intend to devote most of my remarks to the major provisions of the bill.

However, before discussing those provisions I want to emphasize that they have received perhaps more exhaustive consideration than any other major legislative proposal within my memory. If any Senator has a question in his mind on that point, I would refer him to the 2,218 printed pages of testimony taken by the special Senate Subcommittee on Housing and Urban Redevelopment in 1944 and 1945. The basic recommendations growing out of that study, and still unenacted, are encompassed in S. 1070. I would refer him to the 1,212 pages of testimony taken by the Committee on Banking and Currency in 1945 and 1946 on the first general housing bill, the Wagner-Ellender-Taft bill, which was

approved by the Senate in 1946, and which also covered the subject matter now contained in S. 1070. I would refer him again to the 863 pages of testimony taken by the Committee on Banking and Currency in 1947 and 1948 on the second general housing bill, the Taft-Ellender-Wagner bill, which we passed in this body a year ago, and which also covered the same general subject matter. I would refer him also to the 6,148 pages of testimony taken in 1947 and 1948 by the Joint Committee on Housing, of which I was a member, in hearings throughout the country. The investigation likewise resulted in strong recommendations for the same basic programs that are encompassed in S. 1070.

Mr. President, this year we have again held hearings on these proposals. Between February 3 and February 21, the subcommittee held 13 days of hearings, and heard more than 75 witnesses, representing all the major organizations and interests with an active stake in housing. Their testimony and statements fill another 1,001 pages of printed hearings. As chairman of the subcommittee, I heard every word of this testimony. Included in it were many constructive comments and suggestions, which resulted in further refinements and improvements to the bill in committee.

But if I should summarize my impression of the consensus of that testimony, it was that the time for hearings, for study, and for investigation of these important housing problems has passed and that positive action by the Congress to relieve those problems is long overdue. The prolonged consideration which has been devoted in the Congress to the basic lines of action incorporated in S. 1070, has, it is true, resulted in numerous minor perfections in the details of these legislative proposals and in increasing agreement as to their necessity and importance. But no amount of study and debate concerning these matters can serve as a substitute for positive action. It is for these reasons that I am confident the Congress will now carry these proposals beyond the discussion stage and will enact the legislative foundation for an immediate attack on the basic problem areas in housing.

The Housing Act of 1949 deals primarily with those basic problem areas. It is not my contention nor the contention of the other sponsors of this legislation that the bill deals with all the matters necessary for a complete comprehensive national housing program. In fact, there are various important phases of the complex housing problem which are not touched upon in the bill and which will shortly be dealt with by the Committee on Banking and Currency in its recommendations on other housing legislation. But it is my contention that S. 1070 does deal decisively and constructively with the basic problem areas in housing where experience has clearly shown that direct Federal assistance is essential. These areas cover the whole broad problem of providing decent housing for families with incomes too low to pay an economic rent



for decent privately owned housing, new or old. They cover the problem of the slums and of how to clear them so as to permit sound redevelopment. They cover the separate problem of providing decent farm housing and other essential farm structures for farmers unable to finance adequate facilities through their own limited resources. They cover the underlying problem of excessive housing costs and of ways and means for reducing them through research on construction methods, materials, and all the complex problems involved in the production, marketing, and operation of housing.

The Housing Act of 1949 also would define for the first time our broad national housing objectives and the basic policies to be followed in progressing toward those objectives. Such a declaration of policy has been one of the primary recommendations of all the congressional investigations of housing during recent years. In reaffirming this recommendation, the committee report on the pending bill had this to say as to the importance of establishing such a policy:

There has never been a statement by the Congress of our national housing objectives or of basic policy as to respective spheres of activity for industry, labor, communities, and the Federal Government in the attainment of those objectives. Neither the Congress in considering specific housing legislation, nor the administrative agencies in executing those programs, have been in a position to appraise housing activities and housing progress in relation to a clearly defined national housing policy and objective. Industry, labor, and communities have been similarly handicapped.

The need for such a policy declaration is increased by the housing programs authorized by this bill, and which are clearly essential if the Nation is to make real progress in overcoming its deeply rooted housing problems.

Section 2 of the bill establishes as our national housing objective the attainment as soon as feasible of a decent home and a suitable living environment for every American family. It recognizes that this objective requires the achievement of a rate of housing production sufficient to overcome the housing shortage, to replace slums and other substandard housing, and to make a full contribution toward the maintenance of national production and employment at high levels. This section further recognizes that private enterprise must be relied upon to do the major part of this job and should be given all feasible encouragement and assistance by the Federal Government. It calls for assistance to communities in encouraging the production of lower cost housing of good quality. It makes clear that Federal assistance for slum clearance and for the provision of decent housing for low-income families, in cities and rural areas will be made available to the extent that those needs cannot be met through reliance upon private enterprise. It establishes specific standards to assure that all housing activities of the Federal Government will be administered so as to accomplish specific objectives consistent with and necessary for the achievement of this national housing policy.

This national housing policy would apply not only to the operating programs contained in the pending bill but also to the administration of existing programs as well as of the further programs that may be authorized in the future. The application of such a consistent policy to all the programs in which the Federal Government participates is particularly important in view of the very large size of the housing job that needs to be done.

In this connection, the committee examined carefully all the significant evidence concerning the size of the housing need. I direct the attention of the Senate to a rather detailed analysis of that evidence on pages 5 through 8 of the committee report. In summary, the committee concluded that between 17 million and 18 million dwellings would have to be provided by 1960 through new construction or rehabilitation in order to overcome the present shortage, meet the needs of our increasing population, and replace or rehabilitate slum housing and other substandard dwellings. The operating program contained in the pending bill, while directed at the worst problem areas in housing and therefore indispensable to achieving the progress in housing which the Nation needs, would provide only a small percentage of the over-all needs found by the committee. The balance would in large measure at least be the job of private enterprise, operating with or without Federal assistance. For this reason, it is all the more essential that clear lines of responsibilities be established now for the concerted and sustained efforts by industry, labor, communities, and the Federal Government which will be necessary to accomplish the whole task.

Mr. President, before commenting on the major provisions of the program titles of this bill, I should like to touch briefly on the very careful consideration which this measure received in the Committee on Banking and Currency. The committee had before it two major bills dealing with this general subject matter: S. 138, the administration bill, and S. 709, sponsored by a group of Republican Senators. On the specific subject of farm housing, the committee also had before it S. 685. In its executive sessions, the committee combined the best features of these bills and also adopted various amendments recommended during the hearings and by members of the committee. It is extremely gratifying that the resulting bill, S. 1070, has commanded broad bi-partisan support as reflected by its 22 sponsors representing equally both sides of the aisle.

I will now attempt to describe the major provisions of the basic programs contained in this bill. The first of these is the authorization of title I of the bill for Federal aid for slum clearance. I understand that the junior Senator from Illinois [Mr. Douglas], who contributed most constructively to the committee's work on this and other matters in the bill, will discuss this important and pioneering program in considerable detail. Accordingly, I will limit my remarks to the principal provisions of this title.

First, I would like to read to the Senate a few excerpts from the committee report on the bill as to the background and justification for a federally assisted slum clearance program.

Speaking of the stubborn existence of slums and the failure of past efforts to deal with them, the report says:

These slums and blighted areas have existed and have grown for generations. Approximately one out of every five of our urban families is living today under slum conditions, which, in turn, are the breeding ground for disease, juvenile delinquency, and crime. Your committee is convinced that the Nation cannot and should not tolerate indefinitely the social costs resulting from the impact of these conditions.

The millions of families now living in slums do not live there by choice. They live there from economic necessity arising out of their inability to pay even the lowest rents at which decent housing is available. Correspondingly, the demonstrated failure of private enterprise and local communities in coping with the slum problem does not reflect any lack of community awareness of the seriousness of that problem, but rather is indicative of the inadequacy of private and municipal resources alone to meet the economic costs of effective slum-clearance programs.

The testimony presented during the hearings on the bill, as well as that presented in previous congressional investigations during the past 4 years, makes it clear that the high prices commanded by land in the central areas of cities, even when those areas are blighted or deteriorated, are at the heart of the slum-clearance problem. It emphasizes the necessity for Federal aid if a real start is ever to be made in the solution of this problem.

These high prices for slum land, particularly in relation to the prices at which builders can acquire outlying sites, have effectively barred the purchase and the redevelopment of slum sites by private enterprise on anything but the most piecemeal and sporadic basis. This barrier of high price has been greatly augmented by the difficulties, which for private operators are usually insuperable, of assembling large enough tracts in close-in areas to permit an economical scale of redevelopment operations.

The evidence is also clear that the reuse value of cleared slum land will generally be substantially less than the costs of acquisition, clearance, and preparation for redevelopment if the land is to be rebuilt at appropriate densities and in accordance with sound redevelopment plans which will prevent the recurrence of slum conditions. Experience has shown that State and local governments lack the financial resources to absorb the full cost of this necessary write-down in anything like the volume needed for the clearance of any substantial proportion of existing slums. States and cities are increasingly aware of the social costs of slums, of the threat to municipal solvency arising from the spread of new building to the outskirts of cities, and of the heavy municipal outlays for city services in slum areas which greatly exceed the tax revenues derived from those areas. Nevertheless, they have lacked the financial resources to undertake more than a few scattered slum-clearance projects under the redevelopment legislation which is now on the statute books of half of the States.

On the basis of these facts, and the findings of previous Congressional investigations during the past 5 years, it seems clearly established that only through an effective program of Federal aid can real progress be made in the clearance of slums.

Under title I, a local public agency undertaking a program of slum clear-



ance will be able to obtain from the Federal Government repayable loans financing the acquisition, clearance and preparation of project areas for appropriate private or public development or redevelopment, in accordance with locally approved plans. After the area has been sold to redevelopers, or after its reuse value has been established through long-term leases, the Federal Government will make available grants absorbing up to two-thirds of the loss which the community has sustained in the entire operation. Local communities may credit as part of their share of the net cost of the projects, the cost of public improvements built to serve the project areas. Over a 5-year period, \$1,000,000,000 in loan funds, on a revolving basis, and \$500,000,000 in grants would be authorized.

The benefits of this title are to be applied to acquisition, clearance and site preparation, and not to the financing of major rebuilding operations. It is entirely separate in operation from the public housing program covered in Title II. While some cleared sites will be undoubtedly available for public housing projects at the reuse value, the bill requires maximum opportunity for private redevelopment under local plans. But it is equally clear that without an adequate public housing program, such as is provided in Title II of the bill, our local communities will be unable to make any substantial progress in clearing slums. Most of the families who live in the slums are there because they are unable to afford adequate private housing, and most of them will be able to find acceptable quarters only in public housing projects built on or off the slum sites.

Consistent with the findings of earlier congressional studies, the committee felt that the primary purpose of the slum-clearance program should be to help remove the impact of the slums on human lives. Accordingly the bill would require that Federal aid be limited to sites which are either predominantly residential in character or are to be developed or redeveloped primarily for residential use. This provision is sufficiently flexible, we believe, to permit the carrying out of local programs in accordance with sound plans for the development and redevelopment of communities.

To avoid any undue hardship to present slum dwellers, the bill prohibits the undertaking of slum-clearance projects unless the local public agencies have available feasible means for their temporary relocation and unless adequate permanent housing is or will be available to them. Demolition of dwellings prior to July 1, 1951, will not be permitted if the local governing body determines undue housing hardship would result. These restrictions, however, offer no excuse for further delay in the enactment of this program. Planning and site assembly are time-consuming processes, and it is essential that the local communities be prepared to move ahead with actual clearance as soon as local conditions permit.

The public-housing provisions contained in title II of S. 1070 represent the indispensable core of any effective pro-

gram aimed at meeting the most acute problem areas in housing in American cities and towns. As I pointed out a moment ago, no large-scale activities for the clearance and redevelopment of slums could hope to succeed without the provision of decent low-rent housing for the low-income families now occupying the slums. These are the families who have no hope of obtaining decent homes and decent surroundings for their children to grow up in unless the Federal Government lends its assistance to communities for the development of public housing.

As we all know, public housing has been the principal point of controversy in the housing legislation before the Congress during recent years. It is the main focal point for opposition on the part of certain real-estate groups. But in the light of the clear and long-demonstrated fact that private enterprise cannot provide decent housing, new or old, for families of low income, there is increasing agreement throughout the country that public housing represents the only solution to an intolerable problem. Furthermore, as I will make clear more fully a little later on, the protective provisions contained in this bill will prevent any possible competition between public housing and private housing of adequate standards. The only private owners facing competition from public housing are the owners of slum housing and other dwellings unfit for human habitation.

The report of the Committee on Banking and Currency points out, on the basis of Census Bureau figures, that almost 20 percent of all urban families in the United States had money incomes of less than \$2,000 in 1947 and that slightly more than 30 percent had incomes of less than \$2,500. For this group, housing is required at an average rent of about \$27 per month, including utilities, if the cost of shelter is not to exceed 20 percent of their incomes.

The committee's report likewise makes it clear that, aside from public housing, the only substantial volume of housing now available to these families at this average rent is slum housing, or other substandard quarters. In 1947, the estimated average rent charged for substandard housing in urban areas was slightly more than \$28 a month. In that same year, the average rent charged in presently existing low-rent public housing was \$27 a month.

Mr. President, in the light of these facts, I believe the case for public housing is indisputable. And, again in the light of these facts, I wish to call the attention of the Senate to this statement in the committee's report:

It is unthinkable that this Nation, the richest and most powerful in the world, will longer permit so many of its citizens to live and grow up under the degrading and unhealthy conditions of the slums.

The bill extends this program for the provision of 810,000 additional low-rent dwellings. Some of us felt that because of the urgent need and the long delay in providing the means of meeting it, we should provide for the full 1,050,000 units recommended by the President. Others

felt that despite these factors we should proceed more cautiously in consideration of changing economic conditions. The final figure represents a mutually acceptable reconciliation of these differences. The construction of the 810,000 dwellings would be spread over a period of 6 years, but the President would have the authority to accelerate or decelerate the authorized construction rate within certain limits, after receiving advice from the Council of Economic Advisers as to the impact on building and general economic conditions.

S. 1070 continues the system of Federal annual contributions which have proved so successful in the present low-rent housing program. These Federal annual contributions, together with local contributions, which are made through the exemption of projects from taxation, are necessary in order to achieve low rents within the means of families coming from the slums.

The maximum annual contribution which can be paid in any one year on a given project is limited under S. 1070 to a percentage of the total development cost of the project, the percentage being 2 percent greater than the applicable going Federal rate of interest. Since the going Federal rate of interest is now 2½ percent, the annual contribution rate would be 4½ percent on contracts entered into under present conditions.

The maximum annual contributions which could be contracted for under S. 1070 are \$308,000,000 per year. On the basis of the present maximum annual contribution rate this would be sufficient to provide contributions on projects with a total development cost of \$6,845,000,000. As an illustration, on a project costing \$1,000,000 the maximum annual contribution would be \$45,000 per year.

The annual contribution thus determined for a project as a percentage of its development cost is the maximum amount which can be paid in any one year. The amount actually paid is limited to the cash deficit incurred by the project during the year, that is, to the total annual cost, including debt service, less the amount of rent actually collected.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the very able chairman of our committee.

Mr. MAYBANK. The \$308,000,000 of which the Senator speaks represents the maximum annual contribution. The annual contribution is limited to the actual deficit.

Mr. SPARKMAN. Yes. I think the Senator means what I have in mind. In other words, the deficit represents the difference between the rents collected by the local authority and what would be necessary in order to take care of a project in the manner I have described. The Federal contribution is to help meet the deficit.

Mr. MAYBANK. A deficit could arise only by reason of the fact that the rentals were less than the operating income to the local authority.

Mr. SPARKMAN. The Senator is exactly correct. The administration is all in the hands of the local authorities.



Mr. MAYBANK. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. Past experience with a few of these projects has shown that in some instances there has been no deficit.

Mr. SPARKMAN. That is true. I shall bring out that point a little later, as well as the point which the able chairman made in his first question. The \$308,000,000 represents the absolute maximum. That does not mean that that sum will be paid out each year. In many instances it will be much less than that. In fact, past experience has shown, as I shall indicate a little later, that the annual contribution has amounted to only 58 percent. In practice annual contributions are rarely, if ever, paid in the maximum amount. For example, on the low-rent projects developed under the original United States Housing Act, the annual contributions actually paid have averaged only 58.5 percent of the maximum amount which could have been paid.

Further in reply to the question which the distinguished Senator from South Carolina asked, I do not know whether we shall have the same experience in the future that we have had in the past. I am not saying that we shall have or shall not have the same experience. It will depend very largely upon local conditions. But if we have the same experience in the future that we have had in the past, the annual contribution will be only about \$180,000,000 a year, or less than \$200,000,000, instead of \$308,000,000.

Mr. MAYBANK. Then the Senator agrees that the thought of a long-range program running into tens of billions of dollars is erroneous, if business continues normal.

Mr. SPARKMAN. Certainly the annual contribution will not be the maximum amount which we are discussing.

Mr. MAYBANK. It is left to the local authorities in the communities to decide who shall be in the housing projects, what rents they shall pay, and what deficit is created after we pay the 10 percent service charge, or the 10 percent in lieu of taxes.

Mr. SPARKMAN. The Senator is correct, subject, of course, to certain conditions which we write into the law.

Under the new program it is anticipated that not more than two-thirds or three-quarters of the maximum amount will be paid on the average.

The annual contributions under S. 1070 may be paid over a period not exceeding 40 years. Since they are not needed after the payment of debt service on capital cost is terminated, the PHA contracts provide that contributions cease at an earlier date if capital costs are liquidated earlier. With the interest rates which can reasonably be expected in today's market, it is estimated that capital costs can be liquidated in 30 to 33 years instead of running on to the full 40 years permitted.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. When the capital costs are liquidated, who owns the property?

Mr. SPARKMAN. The local housing authority. In fact, it owns the property all the time. I am glad the Senator brought out that point, because many people in this country do not understand it. We use the term "public housing." In some respects it is a misnomer. Many people get the idea that public housing is owned by the Federal Government. The Federal Government never owns it. It is owned by the local communities and by the local housing authorities which are established under their own ordinances and under State laws.

Mr. MAYBANK. Under ordinances and State laws they sell the bonds to the lowest bidder.

Mr. SPARKMAN. Yes. Again the Senator from South Carolina brings out a very important point.

Mr. President, many persons think the Federal Government pays the money for the construction of this housing, and judging from some of the communications which I have received, apparently many persons think the Federal Government uses its own workers and does the building itself and purchases the material or supplies the material itself. However, the Federal Government does nothing of the kind. As a matter of fact, the local housing authority of Charleston, S. C., or Huntsville, Ala., or elsewhere in the United States, makes contracts with private builders, with whomever it pleases, and under whatever procedure it pleases. It issues its bonds and sells them in the commercial market. The very able chairman of the committee knows that the market is eager to buy those bonds today, because everyone knows how good they are.

Mr. MAYBANK. Mr. President—

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I wish to thank the distinguished Senator from Alabama, the chairman of the subcommittee, for bringing out that point, because many persons think the Federal Government is putting up a great deal of money in this connection. However, all that the Federal Government does is to authorize the local community, upon its own request, to sell bonds, which are tax free, as are other municipal bonds; and the bonds are sold at the lowest rate bid. These projects are built by private industry.

Mr. SPARKMAN. That is correct.

Mr. President, in effect the Federal Government says to the local city or community, "If you care to go into this program, you are to build the housing and are to provide the financing and the construction facilities; and if thereafter you rent the quarters at rent which the people can afford to pay, the Federal Government will help you make up the deficit in the rent." In effect, that is what the local housing authority is doing.

Mr. MAYBANK. So the Federal Government simply helps make up the deficit in that connection.

Mr. SPARKMAN. That is correct.

Mr. MAYBANK. Mr. President, the Senator from Alabama is making an extremely able argument and is presenting facts which in my judgment the people of the country generally do not fully appreciate. So I wonder whether the Senator will yield to me, to permit me to suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, I deeply appreciate the thought which motivates the distinguished chairman of our committee in making that suggestion, but I must decline to yield for that purpose. I know a great many Members of the Senate are, at this moment, attending important committee meetings, and I know that some Members of the Senate are meeting in conference committees, trying to work out conference committee agreements. I know that the chairman of our own committee, the Senator from South Carolina himself, has had to run back and forth between this Chamber and the Appropriations Committee during the day.

So, although I appreciate the suggestion, I must decline to yield for the purpose the Senator has suggested; and at this time I shall proceed with the further presentation of my remarks.

Mr. MAYBANK. Mr. President, will the Senator yield once more to me?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. In view of the fact that the Senator from Alabama does not wish to yield to me, to permit me to suggest the absence of a quorum—and I realize that he is aware of the numerous committee meetings which are being held, as authorized by the numerous unanimous-consent requests which have been granted during the day for the holding of those meetings—let me say that I hope that over the week end every Senator will read the statements made in this debate, particularly the statements made by the Senator from Alabama, pertaining to the fact that private industry builds the houses, and that the local authorities govern these projects; and also the statements in regard to the great benefit to the people in those communities, during the years to come, and the statements that these projects may be liquidated much sooner than may have been anticipated, and thus the cost may be perhaps only 50 percent or 60 percent of that estimated.

I appreciate the Senator's courtesy in yielding to me.

Mr. SPARKMAN. Mr. President, I appreciate very much the remarks which have been made by the able chairman of our committee. I hope every Senator will read, not particularly my remarks, but also the remarks made by the chairman of the committee and the remarks which will be made by one of the pioneer sponsors of this legislation, the able Senator from Louisiana [Mr. ELLENDER]. I hope Senators will also read the committee report.

Mr. President, I cannot help but believe that any person who studies this problem with an unbiased mind will in-



variably and inevitably come to the conclusion that we need this program and that it is only right and fair. I deplore the fact that throughout the country there is so much misinformation and misunderstanding of the entire subject of the so-called public housing program.

Mr. President, with the amendments in this bill perfecting the security of local housing authority bonds, we expect that the local authorities will be able to obtain all their capital financing from private lending sources, and that there will be few calls, if any, for Federal loans. The availability of Federal advances, however, must be pledged in order to obtain low-interest, temporary private loans during construction. This has necessitated an increase in the total loan authorization to \$1,500,000,000, from \$800,000,000, for the new program, and the placing of this authorization on a revolving fund basis.

I have heard of no other solution, in all the testimony that has been presented, that gives any promise of meeting the needs of low-income families. Under the present public housing program, despite the congressional restriction until last August against removal of over-income tenants, the median income of all families in prewar projects in 1948 was \$1,944 while the median income of families admitted to those projects last year was only \$1,481. I do not know where else we can look for any substantial amount of decent housing for the 30 percent of our urban families whose incomes are less than \$2,500.

We have incorporated in this bill, however, some additional requirements to assure that the low-rent purpose will be achieved and that the program will not be competitive with private enterprise. We require that a gap of at least 20 percent be left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing through new construction and available existing structures a substantial supply of decent, safe, and sanitary housing. The local authorities must establish maximum income limits for admission and continued occupancy and must remove from the projects families found in annual re-examinations to be ineligible. We require that tenants be selected in accordance with most urgent housing needs and that there be no discrimination against welfare families.

Another change is the revision of construction cost limits for public housing. We have eliminated, first, the limits on dwelling unit cost and have substituted a per room cost limitation in order to permit more adequate provision of housing for the larger families. Second, we have removed the differential in cost limits between larger and smaller cities in view of the fact that substantial construction cost differences between neighboring communities like Chicago, and Gary, Ind., are now nonexistent. We have provided a maximum per room cost limitation of \$1,750. In exceptionally high-cost areas where the Administrator finds that it is not possible to build a low-rent housing project within

this cost limitation without sacrificing sound standards of construction, design, and livability and he finds that there is an acute shortage for such housing, he may allow the cost limitation to be exceeded, but in no event by more than \$750 per room. The experience of a few local authorities which have gone ahead recently with deferred projects under the provisions of Public Law 301 enacted by the last Congress had indicated the necessity of such latitude if low-income families in certain high-cost areas are to realize the benefits of this program.

The increase generally provided in S. 1070 is substantially less than the actual rise in building costs which has occurred since 1937 when the present limitations were adopted. Nevertheless, there has been some criticism of these increases. Such criticism might have some validity if we assumed that the construction cost of projects for the country as a whole would approach the proposed maximum limitations. This assumption is refuted by the experience under the present program.

Projects undertaken by local housing authorities before the war under the present Act and during the war under the defense amendment were built at average costs substantially below the limitations then in the statute. The total development cost, including land, slum clearance and non-dwelling facilities, averaged \$4,649 per unit. This is an extremely low figure in view of the fact that these projects were by necessity designed and constructed for a long economic life and generally involved fire-proof construction. Furthermore, there is absorbed in this average cost the high cost of slum sites for many of these projects and the installation of certain features by local authorities, such as internal utility distribution systems, which have resulted in long-range operating economies.

The average costs were substantially below the pre-war maximum permitted under the law. Thus the controlling factor in most areas has not been the dollar cost limitations, but rather the statutory requirements that the projects shall not be of elaborate or expensive design or materials and that economy shall be promoted in construction and operation. These requirements are contained in S. 1070 and are strengthened by the additional stipulation for advance approval of all construction contracts by the Public Housing Administration in the light of prevailing construction costs in the locality.

The development of 810,000 dwellings within the annual contributions authorized under this bill, moreover, cannot be achieved unless the average total development cost, including land and all other facilities, does not exceed about \$8,500 per unit. In view of the excellent record for economy achieved by the local authorities, I believe that the importance of making the benefits of the public housing program available to all localities fully justifies the latitude in cost limits contained in S. 1070.

The evidence presented to the committee fully confirmed the findings of previous congressional investigations as

to the acute need for decent low-rent housing in rural areas as well as in cities. In fact, some of the worst housing is occupied by low-income rural families, including farm laborers residing off the farms.

Proposals for extension of the public-housing programs have always clearly contemplated that the pressing needs of these families would be included in the over-all public-housing authorization. However, the committee felt it important to make sure that rural communities which are not presently organized or equipped to qualify for participation in the program should have full opportunity to do so before all the funds are allocated. We have, therefore, required that 10 percent of the authorization for all contributions be reserved for rural nonfarm housing for 3 years after the dates on which the funds are made available. These provisions are, of course, separate and distinct from the program for farm housing which I will discuss in a few minutes.

Mr. President, one of the primary reasons why Federal financial assistance is needed for the programs which I have just described is the inability of the housing industry over the years to produce housing of good quality at a price or rent within the reach of a majority of families. The high cost of new housing has limited the market for new housing to perhaps the top third of the income range and has prevented the development of any effective private-enterprise technique for the replacement of worn-out and substandard used housing.

As Senators know, the problem of attacking these excessive costs and of placing the housing industry in a much stronger position to serve the housing needs of the Nation has been long studied in the Congress. These studies have made it clear that the lagging progress in this direction stems largely from the complexity of the housing industry and the fact that it is predominantly comprised of small-business firms with insufficient resources to undertake the kind of research that has paved the way for the impressive technical progress in other industries of comparable over-all size.

All this has pointed to the necessity for Federal leadership and assistance in housing research, which is the program contained in title III of the bill. In this connection, I would like to read this brief excerpt from the committee's comments on this subject in its report on S. 1070:

The imperative need for the Federal research program that would be authorized by title III of the bill has been emphasized over and over again, in earlier reports of your committee, in the reports of the Joint Committee on Housing, and in the reports and studies of many official and unofficial groups. These reports have pointed out the relative technological backwardness of the housing industry, compared to other major industries, and have described some of the conditioning social, economic, and political factors that have caused this lag. The housing business is far too important a segment of our economy, and the benefits that could be derived from modernizing it are too large in terms of the improvement in the housing conditions of American families as well as in sta-



bility of employment and investment, to permit us to accept this situation any longer.

I know of no better justification for the housing research program in title III than that contained in a news story in the New York Times, Thursday, February 23, written from Chicago by its real-estate editor. He reported that rows of unsold new houses have risen in key cities over the country to plague builders, "despite the continuing housing shortage. Inflated construction costs, high prices, and buyer resistance, together with a tightness of mortgage money, have kept these houses from finding purchasers and are forcing many builders to abandon or curtail their operations," he said. He estimates, with support from at least one important builder, that not more than 750,000 dwellings will be built this year.

This situation, in the face of the needs of several millions of veterans and others for decent places in which to live, epitomizes what has been wrong for many years with our housing situation. The reason we have slums and overcrowding and doubling up is that we have not yet produced homes that enough people can afford to buy or rent.

The most important purpose of the research title is to seek the means of bringing housing costs down to a closer relationship with average consumer incomes and of developing the housing industry more in line with the Nation's large long-range housing needs. The Housing Administrator would be directed to encourage the development of new and improved techniques, materials, and methods which will result in better products at reduced costs and to demonstrate them and promote their acceptance. This would be much broader than the present program limited to building codes and modular coordination, although this present program is retained under the pending bill. Also authorized in the program is the development of more precise economic and market data on housing which is badly needed by the industry, communities, and the Federal Government.

What this title does primarily is to provide leadership in housing research which no single element in the industry is able to provide and which is presently lacking in Government. The Housing Administrator would identify the problems; arrange, through contracts and other means, for the conduct of research projects; evaluate the results and make available and encourage their acceptance by industry, and by State and local Governments, to the extent that they are applicable, to building codes and other local regulations. The bill contemplates that the Administrator will utilize to the fullest extent existing research facilities available in Government, educational institutions, and other nonprofit organizations.

The great potentialities of such a program in reducing costs; and thus expanding housing production, justify the enactment of this title and the assurance, when annual appropriations are considered, of sufficient funds to permit it to go forward.

In title IV, the bill would establish an urgently needed program for a separate and distinct phase of the housing problem—the problem of providing decent farm housing. This is a matter to which I have given a great deal of personal study and investigation, in the light of the farm-housing problems in my own section of the country. As Senators know, I introduced a farm-housing bill earlier in this session, Senate bill 685, and I am gratified that the farm-housing title adopted by the committee in S. 1070 incorporates a number of the proposals contained in S. 685.

In my opinion, which I believe is shared by other sponsors of this legislation, the farm housing program proposed in S. 1070 is definitely superior to the comparable program contained in the previous general housing bills considered by this body in the Seventy-ninth and Eightieth Congresses. The most important improvement, I believe, lies in the broader coordination of the program with the farm as an economic unit and a corresponding extension of the program to provide assistance for essential farm buildings as well as for farm houses.

The urgent need for such a program is concisely stated in the following two paragraphs from the committee's report:

The provision of Federal financial assistance for the improvement of housing conditions on farms is an indispensable part of any housing program. The effects of bad housing apply with equal force on farm families, and on the health and character of their children, as they do in our cities and towns. Your committee is further concerned with the importance of adequate housing in the creation of a living environment that will attract and hold to the land, as a source of livelihood, those best able to utilize our soil resources to meet present and future needs for agricultural products.

While there has been considerable improvement in farm housing since 1940, the fact remains that after nearly a decade of unparalleled farm prosperity, a much higher proportion of farm than urban dwellings are in bad physical condition, and the majority of farm families lack in their homes many of the amenities new considered essential in urban dwellings. Evidence before your committee indicates that nearly a third of the Nation's farm families derive insufficient income from their farming operations to finance the needed improvements to their homes (and other building improvements essential to successful farm operations).

The committee report goes on to emphasize the need for a special program of financial assistance designed specifically to meet the needs of the farmers who cannot get credit elsewhere. It states:

The uncertainty of agricultural income, in addition to other hazards of agricultural production, have prohibited long-time financing of building improvements on many farms. The types and extent of conventional credit which is available to farmers is usually needed in the acquisition or operation of the farm buildings. Neither the insurance of private investments by the Government nor the urban type of public housing assistance will meet the needs of more than a million farm families for adequate, decent, safe, and sanitary housing, and other necessary farm buildings.

The financial aids in title IV are directed principally to assisting self-sufficient or potentially self-sufficient

farmers who are unable otherwise to provide adequate housing and other necessary farm buildings for themselves or for their tenants, share-croppers, or laborers.

In the case of self-sufficient farmers, the assistance would be in the form of 33-year loans, with a maximum interest rate of 4 percent, to finance such improvements. The farmer's equity in his farm would provide the security for the loan.

If, however, the farmer's income was presently insufficient to carry the loan, in addition to other expenses and obligations, but if he agrees to carry on a program of farm enlargement, improvement, or adjusted practices that will put him on a self-sufficient basis, the loan could be supplemented by annual contributions, for not more than 10 years, to be applied as a partial credit on debt service on the loan.

While the Committee recognized that it is not feasible or desirable to finance new permanent improvements on farms which are not presently or potentially self-sufficient, it believed that it is essential to eliminate conditions on such farms which are hazardous to health and safety. Title IV, therefore, provides loans and grants for minor improvements, such as roof repairs, safe water supply, sanitary privies, screens, and building supports, which will remove such hazards and protect the occupant's property. The maximum assistance for such purposes to any farm, dwelling, or building may not exceed \$1,000, of which not more than \$500 may be a grant, and the maximum available to any individual regardless of the number of farms or farm buildings, may not exceed \$2,000.

The bill authorizes loans which may reach a maximum of \$250,000,000 after the fourth year, annual contributions not exceeding \$5,000,000 in any year, and grants totaling \$12,500,000. The financial aids will be administered through the Farmer's Home Administration in the Department of Agriculture since they are closely related to other programs of this agency.

The Secretary of Agriculture is authorized, in addition, to expand existing technical services to farmers and to conduct a broad research program, both pointed toward more efficient and economical construction of farm houses and buildings.

The volume of financial assistance authorized in title IV is modest in relation to the size of the farm-housing need. Nevertheless, it will permit substantial progress to be made in improving conditions on farms. As experience is gained under this new program, the Congress will be in a position to appraise the necessity and desirability of further action. In the meantime, I consider this farm-housing program to be an indispensable part of basic housing legislation.

Title V of the bill contains a number of miscellaneous provisions important to the effective execution and administration of the various housing programs. Since the purpose and content of these provisions are fully explained in parts 1 and 2 of the committee's report, I will not



take the time of the Senate in further discussion of them except to stress the importance of the authorization contained in section 507 for a decennial census of housing by the Bureau of the Census, commencing in 1950. The comprehensive body of facts on the size and quality of the Nation's housing inventory which would be supplied by this housing census is essential for the effective attack on the national housing problem, which is the purpose of this whole legislation.

Mr. President, in concluding my remarks, I wish to emphasize again the urgent and far-reaching nature of this legislation. This is a bill which has been exhaustively studied and restudied. Throughout its lengthy consideration in this body it has had substantial bipartisan sponsorship and backing. It has the strong support of citizen groups, veterans' organizations, labor organizations, civic and professional organizations, and local officials throughout the land.

When the Senate first approved legislation similar to this bill, in April 1946, it was clearly the sense of this body that these programs were both urgent and of great importance to the national welfare. Every development in housing during the 3 years since that time has made the urgency and importance of these programs still more apparent. I am therefore confident that the Senate will proceed promptly to approve this greatly needed legislation and that this time the legislation will move on to final enactment.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 56) providing for adjournment of the House until April 25, 1949, in which it requested the concurrence of the Senate.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

S. 1209. An act to amend the Economic Cooperation Act of 1948; and

H. J. Res. 222. Joint resolution making an additional appropriation for the Veterans' Administration for the fiscal year ending June 30, 1949, and for other purposes.

#### NATIONAL HOUSING ACT OF 1949

Mr. ELLENDER. Mr. President, at the outset, I wish to say that no Member of this Senate has taken a keener interest in the field of housing than the distinguished senior Senator from Utah [Mr. THOMAS], who for many years served as chairman of the Senate Committee on Education and Labor. I shall always remain grateful to him for having selected me as chairman of a subcommittee on housing for low-income families.

It will be recalled that prior to the adoption of the Reorganization Act, all housing legislation for low-income families, slum clearance, and the publicly financed portion of the war housing program was considered by the Committee

on Education and Labor. Senator THOMAS was always most helpful and under his guidance I became very much interested in the subject of housing. He has always been most cooperative with Members of the Senate assigned to the task of attempting to solve our housing needs.

Although my name has been identified principally as an advocate of housing for low-income groups, my interest has not been, and is not now, confined solely to that one phase of our housing problem. On the contrary, I have fostered legislation providing for ways and means of assisting all segments of our society in attaining decent, safe, and sanitary homes in which to live.

Mr. President, I firmly believe that the most realistic way to defeat communism, fascism, and in fact any other "ism," is to make democracy work—make it a living, breathing institution, responsive to the needs of our people, by placing within their reach the basic necessities for a happy life. Foreign ideologies will not appeal to our people if they can obtain decent shelter in which to live and pleasant surroundings in which to rear their children; if they can acquire a fair amount of education, so that they may know and appreciate the multifold advantages of the American way of life; and if adequate hospitalization and other health facilities can be made available to them within their ability to pay. I will confine my remarks to one of those three basic needs—housing.

My voting record in Congress will bear out that I have always supported all legislation that has for its purpose the stimulation of home building and home ownership, through Federal guarantee of mortgages and other Federal aids. I have just as consistently opposed any housing legislation that did not include adequate safeguards for the right of private enterprise to undertake the job of providing all housing needs, if it were willing and able to do so. I have not sponsored any legislation that would encroach upon private financing or private construction of housing. There is a specific field wherein the Federal Government, with its vast resources and capital, can materially assist in making real the dream of every family for a comfortable home. It does not overlap the field of private enterprise.

Many of my colleagues will recall that when the original FHA legislation was considered in Congress, concern was expressed by bankers, building and loan organizations, contractors, and others interested in the field of housing. The cry went up that the Federal Government was trying to take over the building industry. Just the opposite occurred. Federal assistance provided under the FHA program has been a boon to the housing industry. I believe we all agree now that FHA has proven to be one of the soundest programs to come out of the New Deal. It has proven its need and worth, and it is now endorsed by almost everyone. That universal approval arises because the program was based on the premise that Federal aid would supplement private enterprise, rather than substitute for private enterprise. As a

result, everybody has benefited—industry, investment, government, and the masses of our people. Millions of families are today living in decent, comfortable, wholesome surroundings as a direct result of the FHA program.

In spite of the fact that building materials are now becoming plentiful, and building costs are leveling off, there has been a decided slump in residential construction since September 1948.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MAYBANK. I wish to ask the Senator, who has been one of the leaders in the housing fight for many years, and who was the first witness before our committee, if it is not a fact that one of the reasons why there was some trouble about housing legislation during the last Congress was a lack of labor and a shortage of building materials. The Senator has just stated that there is now an ample supply, to which I thoroughly agree, and I was wondering if the Senator could enlarge a little on the matter of the ample supply of building materials and workers today. Today the Senator voted for a bill making an appropriation of \$600,000,000 in behalf of the veterans, and does not that make it all the more necessary to go forward with the housing program?

Mr. ELLENDER. I expect to point out that the bill will be of assistance in avoiding some kind of slump.

Mr. MAYBANK. In providing assistance in avoidance of a slump it will reduce the amount of money Congress will have to appropriate to prevent unemployment, will it not?

Mr. ELLENDER. The Senator is correct.

Reports from the Bureau of Labor Statistics show that during the 6-month period from September 1948 through February 1949, 57,300 fewer new residential units and structures were started than in the corresponding period of September 1947 through February 1948. The Bureau's reporting does not cover residential units converted or rehabilitated, but it is safe to assume that there has been a decrease in that category also, due to the fact that the major portion of suitable buildings were converted or rehabilitated during or shortly after the war.

Stimulation in private building is most needed at this time in the low-cost field. A person today has no difficulty in building or purchasing a home in the \$10,000 and over class. The supply of homes in that price range is plentiful, and contractors are ready and willing to build for those who can finance the project. There are few takers, because the majority of the people cannot afford to pay such prices. We must provide ways and means for the head of a family to build a comfortable home for less than \$10,000. If we do not, the whole Nation, and the building industry in particular, will suffer. The greatest number of potential customers lie in the lower bracket of the middle-income group.

The need for stimulation of home building in the lower bracket of the



middle income group has developed principally for two reasons:

First, the savings which American families accumulated during the war have dwindled considerably, and few families have enough money on hand or in banks, or enough bonds, to make up the difference between the selling price of modern day homes, and the FHA mortgage commitment.

Second, those who have sufficient capital to finance the undertaking are hesitant because they fear that hard times are around the corner.

There can be no doubt that the lush days of the postwar boom are over. The signs are unmistakable. Housing construction can play a vital role in easing the impact of the deflationary period that confronts us. New houses are one of the items for which there is a large backlog of demand.

To stimulate building, I am cosponsoring with seven other Senators a bill (S. 712) which, when enacted, will stimulate the construction of low-cost private homes, low-rent housing projects, and cooperative developments. We realize that the bill we have introduced does not meet altogether the needs for financing housing for the lower half of the middle income groups, and we are working, together with the Senate Banking and Currency Committee, and the Federal housing officials, in an effort to further improve the bill.

There is another segment of our population that is badly in need of adequate housing, but unfortunately, these people do not earn enough money each month to pay an economic rent, or to make the monthly payments that are necessary to purchase a private home. I refer to the people who are at the bottom of the heap, insofar as earnings are concerned. Let us not fool ourselves. Even during the war, and in the boom days after the war, a substantial portion of our population were too poor to pay an economic rent or to undertake the purchase of even the most modest home. As unemployment increases, more and more families are finding themselves in this category.

My activities in behalf of this segment of our population go back to 1937, when I took my seat in the United States Senate as a freshman Senator from Louisiana. One of the first major bills to come before the Senate that year was the United States housing bill of 1937, which was also called the Wagner slum-clearance bill. I supported the enactment of that bill, both in the Senate Committee on Education and Labor, which held hearings on it, and on the floor of the Senate. Under its authorization, 119,101 housing units were constructed by local housing authorities before the war. During the war, under Public Law 671, 51,288 units were built to house war workers. The act stipulates that these units will be converted to low-rent public housing projects as soon as feasible at the conclusion of the war. A total of 170,389 low-rent public housing units were built by local housing authorities, at a total cost, including land, buildings, tearing down of slum areas, and so forth, of approximately \$4,650 per unit.

Bear in mind that all these units were built by local housing authorities, and the local authorities have full control over their operation. The projects would never have been initiated had not the local authorities requested them. And I believe I can state without fear of contradiction that the projects would never have been erected had not the Federal Government, under the authority contained in the United States Housing Act of 1937, provided the means to finance the projects, by a system of annual contributions, whereby families with low incomes were given assistance, proportionate to their earnings, to meet an economic rent.

Under the program, families that lived in the slums were lifted out of that deadly environment and placed in clean, comfortable, sanitary dwellings. For every new unit that was built before the war, a slum unit was demolished. Prior to the war, not a single family was given housing except those who could not afford to pay the rent required by private enterprise for decent housing. The program was strictly noncompetitive with private enterprise. Throughout the country, before the war, the average rent, without utility charges, was \$12.79 per family per month for a family with an annual average income of \$832. I ask, who, even before the war, could undertake a respectable housing development that would rent for \$12.79 per unit per month? Those families, because of their lack of income, would have been doomed to live in filth and misery had not the local authorities, aided by the Federal Government, undertaken to bring them relief.

The war brought with it a disruption of the low-rent public housing program. Populations shifted overnight. Prosperity was everywhere, jobs were plentiful, and the weekly pay check was higher than ever before in our history. In order to meet a serious housing shortage that developed in those areas where war production was highly concentrated, permission was given to the local authorities to convert some of the uncompleted low-rent projects, when they were completed, into war housing for the duration of the war. Again the local authorities had jurisdiction, and the decision was left entirely to them. The rent charged was based on the occupant's income. When an occupant's income was high enough to afford an economic rent, the Federal and local subsidy stopped, and he paid his way just like anybody else.

Now that the war is over, the local authorities are going about the business of moving out the war workers, who can afford an economic rent, and moving in low-income families who cannot afford an economic rent. Also, during the war many of the low-income families were able to better their incomes, improve their standard of living, and no longer need assistance from public-housing authorities. These families are likewise being moved out, to make room for the less fortunate. There has been some criticism leveled against the local authorities because this turn-over has not proceeded at a more rapid pace. But when we consider the housing shortage

that exists today, we realize that the progress must necessarily be slow. The local authorities cannot be expected to evict families, regardless of their income, if there is no other place for them to go.

I now come to the housing bill of 1949, Senate bill 1070. This bill was introduced by me, together with 10 Democratic and 11 Republican Senators, on February 25. It is not a new bill. Indeed, its basic provisions have received intensive congressional study over a period of 5 years. They have twice been enacted by the Senate, once in the Seventy-ninth Congress, and again in the Eightieth Congress. A review of the bill's history will make it plain that it is truly a product of careful congressional work carried on over a long period of time, in a nonpartisan spirit.

The bill itself was perfected in the Committee on Banking and Currency after hearings on a number of similar bills which were held by the housing subcommittee under the chairmanship of the able junior Senator from Alabama [Mr. SPARKMAN] from February 3 through February 21. Senate bill 1070 combines the best features of these similar bills and of amendments or additional proposals which were suggested by members of the committee or by witnesses at the hearings. The bill also represents a compromise which was reached in committee with respect to the size of the low-rent public housing program which should be undertaken at this time.

It should be noted, too, that the committee, in reporting the bill to the Senate, did not offer it as a complete solution to the housing problem, or as the sole important legislative measure which is needed in the field of housing. However, the committee was convinced that the bill represents a major step forward in dealing with five important problems in this field. Thus—and I quote from the committee's report dated February 25—

First, it provides for a necessary and desirable declaration by the Congress of our national objectives in housing and the policies to be followed in attaining them.

Second, it provides the authorization of Federal financial assistance to communities for a long-delayed, but vitally needed, start on the clearance of slums and blighted areas for redevelopment.

Third, it provides the authorization for a continuation and expansion of the program of extending Federal financial assistance to communities for low-rent public housing for families of low income.

Fourth, it provides the authorization for a comprehensive program of Federal research in housing aimed at relieving the many technical, social, and economic problems which beset the whole field of housing.

Fifth, it provides the authorization for a program of Federal financial assistance for the provision of decent housing for those families who live and work on the farms of the Nation, particularly for farm families of low income.

The origin of these basic provisions may be traced very directly to a Senate resolution submitted in March 1943, and cosponsored by myself and the Senator from Ohio [Mr. TART], the Senator from New York [Mr. WAGNER], and the Senator from Utah [Mr. THOMAS]. This



resolution would have provided for a special Senate committee to conduct a housing study and to prepare a comprehensive plan for a postwar housing program. However, in order to integrate this study with the over-all activities of the Special Committee on Postwar Economic Policy and Planning, headed by the Senator from Georgia [Mr. GEORGE], there was appointed in that committee a Subcommittee on Housing and Urban Redevelopment to which the task was assigned.

This subcommittee, of which I was a member, and headed by the distinguished senior Senator from Ohio [Mr. TAFT], made a very thorough investigation and study of housing and related problems. Hearings were held by us from June 1944 to February 1945, and extensive testimony was presented by many private persons expert in the field and by most of the national organizations interested in housing, as well as by appropriate officials of the Government. I well recall the painstaking consideration and study which we gave to the testimony received and to the wealth of other material collected by means of questionnaires and staff research. In August of 1945 the subcommittee's unanimous report was published, setting forth its recommendations concerning a postwar housing program.

The recommended program included the following major points:

First. A clear statement of a national housing policy and objectives.

Second. The establishment of a permanent over-all Federal Housing Agency.

Third. The continuance and improvement of Federal financial aids to private enterprise, such as those already established in the Federal Housing Administration.

Fourth. The development of a plan for the guaranty of a minimum yield on fully debt-free investments in moderate-rental housing.

Fifth. The extension and perfection of the urban low-rent housing program authorized under the United States Housing Act of 1937.

Sixth. The establishment of a new form of Federal financial assistance to cities to help them eliminate slum and blighted areas.

Seventh. The development of plans for a comprehensive attack on bad farm housing conditions.

Eighth. The amplification of the Federal Government's research facilities in the field of housing and construction, particularly in gathering and disseminating economic data with respect to the housing market, and information regarding the better utilization of materials and regarding more economical methods of construction and land use.

It was to carry out these recommendations that three of the sponsors of the bill now under consideration, the Senator from New York [Mr. WAGNER], the Senator from Ohio [Mr. TAFT], and myself, introduced S. 1592 in November of 1945, during the Seventy-ninth Congress. Detailed hearings on that bill were held by the Committee on Banking and Currency from November 1945 through January 1946. On the basis of the testi-

mony received, the bill was gone over by the committee line by line. It was perfected and reported out in April 1946, and was passed by the Senate. However, when the Seventy-ninth Congress adjourned, the bill was still being considered in the House Committee on Banking and Currency.

The basic legislative proposals which had been made by the Senate Postwar Subcommittee and incorporated in S. 1592 were the subject of further study and investigation by three committees in the Eightieth Congress. Senate bill 866 of the Eightieth Congress, introduced by the Senator from Ohio [Mr. TAFT], the Senator from New York [Mr. WAGNER], and myself, as a successor to S. 1592, was the subject of extensive hearings before the Committee on Banking and Currency, under the chairmanship of the junior Senator from New Hampshire [Mr. TOBEY]. That committee reported the bill favorably.

Shortly thereafter, a Joint Committee on Housing was proposed, and was created in mid-1947 to conduct a thorough study of the entire field of housing. In carrying out its task, this committee held hearings over a period of many months in Washington, D. C., and in 32 other cities throughout the Nation. Its final majority report issued in March of 1948 verified the conclusions reached by the Senate Postwar Subcommittee 3 years earlier and formed the basis for amendments to S. 866, to bring it up to date.

S. 866, with the amendments recommended by the Senator from Vermont [Mr. FLANDERS], was passed by the Senate in April last year, after efforts to strike out the vital public-housing program were rejected by a substantial majority on both sides of the aisle. This legislation thus went to the House of Representatives with bipartisan support.

After hearings extending more than a month, a majority of the House Banking and Currency Committee reported favorably a bill containing the substantive provisions of S. 866. The Members of the House, however, were denied the opportunity to vote on this legislation, when the Rules Committee tabled the bill. A substitute bill containing only some of the recommended aids to private enterprise was subsequently passed by the House, but I opposed consideration of only piecemeal legislation during the closing hours of the regular session and no action was taken.

After the President called the Congress back in special session with the further consideration of housing legislation as one of the principal purposes, the Senate Banking and Currency Committee amended the bill passed by the House to restore all the basic provisions, like slum clearance, public housing, farm housing, and a broad research program, which had been recommended on many occasions by congressional committees and by the President. When the Senate was advised that the House would not consider legislation containing these provisions, it passed a modified bill containing improvements in the field of financial aids to private enterprise which are administered by the Federal Housing Administration; the new FHA program for guar-

anteeing a minimum yield on direct investments in moderate-rental housing; and some provisions which authorized a limited program of technical research. Another provision which had been put into effect even earlier was the establishment of the Housing and Home Finance Agency as the over-all permanent housing agency of the Government.

Now I would be the last to say that the Housing Act of 1948 has not been beneficial. The extension of the emergency provisions under section 608 of the National Housing Act has been instrumental in keeping a considerable volume of rental housing construction under way. As the home-building industry finds its market for higher-priced houses drying up, it is taking increasing interest in the FHA financing aids directed at lower-cost production.

Prefabricators are finding the special production aids of some assistance. The mortgage insurance provisions for co-operatives is stimulating interest in that field and savings banks and others are exploring the possibilities of direct housing investment under yield insurance. I think we should feel encouraged by the increased interest shown within a period of 8 months in these new financing aids, several of them entirely new. At the same time, a modest start has been possible on some phases of research. Nevertheless, we still fall far short of having the kind of housing legislation essential to grapple with this complex problem.

The pending bill, S. 1070, consists basically of the unenacted portions of the housing legislation, the history of which I have traced. Thus, as we have seen, the bill, in addition to containing a clear statement of national housing policy, provides for a program of Federal aid to local communities for the clearance of their slums and blighted areas; for the extension and improvement of the low-rent public housing program established under the United States Housing Act of 1937; for a better rounded program of housing research; and for financial assistance to provide adequate housing on farms.

In this connection, I invite attention to one feature of the very helpful and interesting committee report—Senate Report 84, Eighty-first Congress—which was submitted on February 25 by the Senator from South Carolina [Mr. MAYBANK]. Starting at page 30 of that report, there are set forth, verbatim, the recommendations made by the Senate Postwar Subcommittee in August 1945 and by the Joint Housing Committee in March 1948 with respect to each of the five major areas dealt with by S. 1070. A comparison of these recommendations with the provisions of the pending bill clearly demonstrates my thesis that this bill is truly a product of long and careful and nonpartisan congressional study.

The basic agreement on the over-all approach required to cope with the housing problem leaves open only one possible question regarding this legislation. This question is whether expanding housing production since the Congress began studying the problem nearly 5 years ago has lessened the need for this



kind of a program. The answer is "No." Rather, the delay that has already occurred makes prompt enactment of these measures all the more urgent and increases the size of the job that is to be done.

In every study to which I have referred the conclusion has been that this country will have to produce many more houses than it has heretofore produced in order adequately to serve our needs. The report from the Committee on Banking and Currency accompanying the bill estimates that this country will have to provide from 1,500,000 to 1,600,000 homes a year for the next dozen years if we are to keep pace with population growth and eliminate slums and other bad housing conditions. The nonfarm need alone is 1,300,000 dwellings a year. Better conservation and use of the present supply may take care of some of this need, but new construction will have to fill most of it. These figures are in substantial agreement with those in earlier studies.

The production of 930,000 new nonfarm dwellings by the private homebuilding industry last year, the third full year since the end of the war, is no mean accomplishment. But it does not measure up to the total job that has to be done. It does not quite equal the production record achieved in 1925, nearly a quarter of a century ago, when this country had 30 percent fewer families and was producing from its industries less than half as much goods as it is today.

What is more disturbing is that since last August, as I have pointed out, the rate of housing production has been declining. The reason housing production is declining is that the market for houses at the prices and rents at which the industry is building is becoming saturated. That does not mean that all housing needs are being served. There are hundreds of thousands of families living with their in-laws or in trailers, shacks, and other temporary accommodations who are being frustrated in their desire to have their own homes. There are still over 6,000,000 families in our cities and towns, and over 1,000,000 farm families, who are living under conditions which are hazardous to their health and safety.

We are having another demonstration of the fact that private enterprise, even with the aids presently available to it, is unable to meet the total housing needs of the American people. Private enterprise cannot do so because it cannot produce houses at the prices and rents which a large portion of the American people can afford. The conclusions of the Banking and Currency Committee this year are just as valid as they were 4 years ago when they were stated by the post-war subcommittee and as they were last year when they were stated by the Joint Committee on Housing. Public action is necessary if we are to do the kind of housing job that should be done.

Public action is necessary if the slums are to be cleared. The clearance of slums and the preparation of sites for the right kind of redevelopment is a deficit operation that private enterprise obviously is unwilling to undertake. It is a job of such proportions that the local

communities cannot tackle it effectively alone. Yet, if we allow the slums to persist, we shall be continuing a huge deficit in our national life—a deficit in human values as more generations of children are brought up under conditions that breed misery, delinquency, and disease, a deficit in monetary values as our communities bear the costs of municipal services which these conditions make necessary. It is, therefore, essential that the Federal Government provide the kind of assistance made available in S. 1070 for the clearance of slums.

Public action is necessary if adequate housing is to be made available to families who live in slums and other bad housing in our cities and towns. Making decent housing available at prices and rents which low-income families can afford is also a deficit operation that private enterprise obviously is unwilling to undertake, and it is also a job of such proportions that the local communities cannot tackle it effectively alone. But we shall make little progress in eliminating the deficits in human values and monetary values created by the slums and bad housing unless good housing is provided for the low-income families who now live under these deplorable conditions. Public assistance, in the form of subsidies, will be required to provide adequate housing for those families, and the Federal Government will have to supply a substantial part of this assistance. In view of the fact that there are more than 6,000,000 families living in substandard dwellings in our cities and towns, the program of 810,000 low-rent public housing units authorized in S. 1070 is the least that we should undertake.

Public action is necessary if decent housing is to be made available for low-income families on our farms. More than a million farm homes are hazardous to health and safety. In this area of agricultural prosperity nearly a third of our farm families realize insufficient income to finance substantial improvements to their homes and other necessary farm buildings. If low-income farm families are to have decent housing, long-term, low-interest loans from the Federal Government are essential if we are to make a start on the farm-housing problem.

Public action is necessary if we are to make the broad attack on high housing costs which is preventing private enterprise from serving as much of the housing need as it should. Comprehensive research, too, is a deficit operation which no single element in the housing industry can afford to undertake. Certainly the individual homebuilder is in no position to experiment in new techniques and methods and to develop new materials. Past experience has indicated that neither the homebuilders collectively, nor any other group in the industry, have been able to undertake a comprehensive attack on costs. Individual communities are unable to undertake the kind of studies that are necessary to modernize building codes and other regulations and their administration. Only through the kind of research program under the leadership of the

Federal Government provided in S. 1070 can we hope to obtain substantial reductions in costs for good housing. Only through this kind of program can private enterprise hope to broaden its market so that it will be serving most of the housing need.

These are the conclusions which, as I have outlined before, have been reached repeatedly over the last several years on congressional studies. These are the conclusions which have been presented to congressional committees repeatedly by representatives of national organizations representing a wide variety of citizens. On the basis of this evidence, it is my firm conviction that the enactment of this bill is a matter of utmost urgency, and that the activities which it would make possible are already too long delayed. The bill contains provisions which are absolutely necessary if effective assistance is to be given to the families whose housing needs are most critical. Further delay will doom yet another generation of children who are now living in urban slums or rural shacks, or in makeshift shelter, to spend their remaining childhood years under conditions which breed disease, delinquency, crime, and misery.

Mr. President, I ask unanimous consent that following my remarks there be printed in the RECORD a series of questions and answers pertinent to the pending housing bill.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON THE HOUSING ACT OF 1949 (S. 1070)

Question. Why is this legislation necessary and desirable?

Answer. The persistence of the acute housing shortage and the disgraceful conditions under which millions of American families are forced to live have made it clear that comprehensive Federal assistance is essential if real progress is to be made toward achieving decent homes and a satisfactory home environment for the American people as a whole. Doubling up and overcrowding are still widespread. Even under the prosperous conditions of today, the prices and rents of decent housing, new or old, are beyond the financial reach of a substantial portion of our population. As a result, more than 5,000,000 low-income families are crowded into city slums or other substandard housing. Virtually no progress is being made in the clearance and redevelopment of slums. Bad housing is also widely prevalent on American farms.

The purpose of the Housing Act of 1949 is to provide the foundation for the comprehensive action needed to overcome these problems. It would do so on four fronts: (1) Through authorization of Federal financial assistance to communities for a long-delayed but vitally needed start on the clearance of slums and blighted areas for redevelopment; (2) through continuation and expansion of Federal financial assistance to communities for low-rent public housing for families of low income; (3) through authorization of a comprehensive program of Federal research in housing aimed at relieving the many technical, social, and economic problems which beset the whole field of housing; and (4) through the authorization of Federal financial assistance for the provision of decent housing for farm families and particularly for farm families of low income. The bill also would establish, for the first time, a broad national housing objective aimed at



achieving as soon as feasible the goal of a decent home and a suitable living environment for every American family, and would define the policies to be followed in attaining that objective.

Question. What is the background of this legislation?

Answer. The basic provisions of the Housing Act of 1949 are the product of exhaustive congressional investigation and consideration during the past 4 years. They are in accord with the principles recommended in 1945 by the special Senate Subcommittee on Housing and Urban Redevelopment, after extended hearings. They likewise are consistent with the recommendations made by the Joint Congressional Committee on Housing in March 1948, after further intensive investigation of housing conditions throughout the Nation.

The subject matter in the pending bill has twice been approved by the Senate—in S. 1592 during the Seventy-ninth Congress (the Wagner-Ellender-Taft bill) and in S. 866 during the Eightieth Congress (the Taft-Ellender-Wagner bill). The Housing Act of 1949 incorporates the major unenacted provisions of those previous comprehensive bills, with certain revisions to meet changing conditions and needs.

Question. Does the bill cover all phases of the housing problem which require attention by the Congress at this session?

Answer. The provisions of the Housing Act of 1949 are fundamental to any comprehensive and effective housing program and attack the chronic problem areas in housing—slum clearance and the redevelopment of blighted areas, low-rent public housing, a comprehensive program of housing research, and farm housing.

It is recognized that there are other important phases of the housing problem which also require attention and which are not covered in the pending bill. These include such matters as the development of sound means for providing good housing for middle- and lower-middle-income families who are largely priced out of the new housing market today; improvements in the existing programs of FHA insurance of private mortgage investments in sales, rental, and cooperative housing; necessary revisions in the Federal Government's secondary-market facilities for GI loans and FHA-insured mortgages; and proposals for Federal aid for the construction of needed housing at colleges and universities.

The Committee on Banking and Currency has made it clear that it is recommending the passage of the pending bill now to provide the foundation for the comprehensive program that is needed and to avoid any further delay in the enactment of these basic provisions which have been so thoroughly considered and on which wide agreement has been reached. The committee also has made it clear that it will proceed with its consideration of the other phases of the housing problem as rapidly as practicable and will recommend subsequently the further measures needed to round out a comprehensive program in ample time for consideration at this session of the Congress.

Question. Is it true, as sometimes charged, that this bill would give the Federal Government dictatorial powers over local communities and would threaten to nationalize or socialize the housing industry?

Answer. This is not true, on either count. Participation by communities in either the slum-clearance program or the low-rent public housing program would be entirely at the option and initiative of local governments. Projects would be locally planned and locally executed. The role of the Federal Government would be restricted to the provision of financial assistance, the furnishing of technical aid and advice, and the administration of statutory requirements to assure that the intent and standards of the law are faithfully observed.

Neither is there anything in the bill that would threaten or undermine the position of private enterprise in housing. On the contrary, there is much that would strengthen it. The declaration of national housing policy stipulates that private housing enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance should be utilized to the extent feasible to enable private enterprise to serve more of the total need. The slum-clearance title requires that the plans for redevelopment of slums or blighted areas afford maximum opportunity for participation by private enterprise. The public-housing title requires a gap of at least 20 percent between the upper rental income limits for admission to public housing and the lowest rents at which private housing is providing an adequate supply of decent housing, new or old, for rent or sale in the locality involved, thus assuring no competition between public housing and private enterprise. Under the farm-housing title loans would be made only to those farmers who are unable to secure credit from other sources at terms within their paying ability. Finally, a primary objective of the Federal research program is to place the private housing industry in a much stronger position to serve a much broader market than today through improved methods and organization.

Question. What justification is there for Federal financial assistance to communities for slum clearance? Why cannot the localities and States handle this problem themselves without Federal aid?

Answer. The continued use of well over 5,000,000 slum dwellings and other substandard housing raises issues of national importance from the standpoint of the health and morals of millions of families and millions of children who will represent a substantial percentage of our citizenry in the coming generation. These slums and blighted areas have existed and have spread for generations, and experience has shown that they will continue to exist and to spread unless Federal financial aid is made available for their clearance.

The heart of the slum-clearance problem is the high price commanded by land in the central areas of cities, even when those areas are blighted or deteriorated, and the necessity for a substantial write-off of that price if slum areas are to be redeveloped on a sound basis which will prevent the recurrence of slum conditions.

States and cities are increasingly aware of the social costs of slums, of the threat to municipal solvency arising from the spread of slums and from the increasing spread of new building to the outskirts of cities, and of the heavy municipal outlays for city services in slum areas which greatly exceed the tax revenues derived from those areas. Nevertheless, they have lacked the financial resources to undertake more than a few scattered slum-clearance projects under the redevelopment legislation which is now on the statute books of half of the States. This, in turn, reflects the basic limitations on the sources of revenue for both State and local governments and the mounting costs of established public services.

Question. Are the provisions of the slum-clearance title sufficiently broad to assist comprehensive local redevelopment programs?

Answer. The basic justification for Federal assistance in slum clearance is the serious impact of slum conditions on the lives and development of millions of American families and their children. For that reason, the bill limits Federal financial assistance to the assembly and clearance of areas which either are predominantly residential slums or are blighted and commercial areas which will be redeveloped primarily for residential use.

However, this requirement in no sense will interfere with the carrying out of local programs combining slum clearance with com-

prehensive plans for the development and redevelopment of communities as a whole. Most slums and blighted areas are predominantly residential in character and, in these cases, the bill would permit their redevelopment for whatever new uses are considered best by the locality. Where blighted commercial or industrial areas are isolated from residential slum areas and hence must be redeveloped separately, Federal loans and grants would still be available but with a requirement that they are to be redeveloped for predominantly residential uses. This would not preclude the inclusion of a variety of other land uses within the redeveloped area provided its predominant character was residential.

The bill also recognizes that the clearance of crowded city slums will frequently make necessary a dispersion of the families now living in those slums into new housing developed on presently open urban or suburban land. It therefore makes loans (but not grants) available for the acquisition and preparation of such sites, including temporary loans for the construction of schools or other public facilities necessary to serve the new area.

Question. What about the claim that slums can be cleared or rehabilitated simply through the enforcement of local health and safety regulations?

Answer. While the development and enforcement of sound local housing codes establishing minimum standards of health, safety, and sanitation is a desirable objective, such codes in no sense can be considered as an acceptable substitute for effective slum-clearance programs. In the first place, most of the housing in slum areas is not worth permanent rehabilitation, by reason of deficiencies in design, structure, and location. Second, to the extent that some slum buildings could be restored to standard condition through substantial repairs and remodeling, the rents charged for those accommodations would necessarily have to be increased sufficiently to finance those expenditures, thereby removing that housing from the supply available to the low income families now living in slums.

Again, even if local ordinances compelled the demolition or boarding-up of unsafe and unsanitary slum structures that are beyond economic repair, such demolition could not be expected to remove fully the principal barrier against sound redevelopment of slum areas, i. e., the high cost of central city land. The piecemeal character of such action also would stand in the way of redevelopment on an economic scale. Finally, reliance upon health and safety regulations as the total answer to the slum problem would completely ignore the basic problem of the low income families now living in slums. Those families do not live there by choice but rather from economic necessity arising out of their inability to pay even the lowest rents at which decent housing is available.

Question. What is the reason for basing Federal subsidy assistance for slum clearance on capital grants instead of on annual contributions as used for low-rent public housing?

Answer. As contrasted with low-rent public housing where the amount of subsidies required may vary sharply from year to year, the loss involved in slum clearance is finally determined once the slum properties have been acquired and cleared, the necessary site improvements have been made, and the land is sold or leased for redevelopment, and the loss cannot in any way be reduced by subsequent operations. Consequently, the settlement of the Federal share of that cost through a lump-sum capital grant rather than through annual contributions over a long period of years is not only feasible but permits simplification both in the legislative formula and in the administrative work load involved.



Question. Why cannot private enterprise meet the housing needs of all income groups, either through new low-cost housing or through the "trickling-down" of used housing?

Answer. According to the Bureau of the Census, 19.7 percent of urban American families had money incomes in 1947 of less than \$2,000 and 80.3 percent had incomes of less than \$2,500. On the generally accepted basis of paying one-fifth of their incomes for housing, the average rent which the families in this lowest income group can afford to pay would be approximately \$27 per month, financial reach of these families.

With new housing construction concentrated in price brackets above \$7,000 and rental brackets above \$70 a month, it is clear that new private housing is far beyond the reach of these families.

With respect to the supply of used private housing available to these families, experience has shown that generally only that portion of the housing supply which has deteriorated to substandard condition has declined sufficiently in economic rental value to be within the rent-paying ability of low income families. The very existence of the slums and their predominant occupancy by low-income families is proof of that experience. It is further borne out by the fact that the average rent being charged for substandard dwellings in urban areas is \$28.50 per month.

Question. Why cannot cities make a substantial capital contribution toward the cost of additional public housing?

Answer. Under the Housing Act of 1949, the contribution of local governments to the subsidized rents in public housing projects is in the form of local tax exemption. While this form of local financial participation is workable, and makes a substantial contribution to the low rents in public housing projects, the imposition of a local capital contribution requirement would greatly diminish if not entirely destroy the workability of the program. The severely limited sources of local tax revenue and the constantly increasing cost of essential municipal services would rule out most cities from participation in such a program. In Senator WAGNER's survey of slum clearance for the Joint Committee on Housing during the Eightieth Congress, the mayors of principal cities were asked whether their municipality was in a financial position to share in the capital cost of constructing low-rent public housing; 63 out of 69 mayors replied in the negative. The effect of a local capital grant requirement for low-rent public housing might well be to permit a few wealthy cities to secure Federal benefits while barring less wealthy cities where the need for public housing is at least as great.

Question. Is it true, as sometimes claimed, that public housing projects do not house low income families and discriminate against those families most in need of aid?

Answer. The best answer to this claim is the actual experience in the present Federally assisted low-rent public housing projects. In 1948, the average income of the families admitted to those original projects was \$1,481 or 17 percent below the median income of urban families in the lowest income third. Even with a considerable proportion of families whose incomes have increased beyond the maximum limits for continued occupancy but which had not as yet been removed from the projects, the average family income of all tenants in those projects was \$1,884 in 1948, or well within the range of the lowest income third.

The claim is also sometimes made that families on relief or other welfare cases are discriminated against in public housing. This is not so. The policy of the public housing

program is to recognize the responsibility for housing families who are being assisted by welfare agencies, along with other low income families in equal or greater need of low rent housing. However, the public housing program does not and cannot set rents so low as to accommodate indigent families without the means of existence; in such cases welfare agencies are looked to to provide such families with a minimum subsistence income and rents are then set in proper relation to their actual incomes regardless of its source.

Under the pending bill, local housing authorities would be required to set maximum income levels for admission to public housing and for continued occupancy, subject to review and approval by the Public Housing Administration. The bill would also put into law present policies on tenant eligibility by prohibiting any discrimination against families on relief and by requiring that due consideration be given to the urgency of the families' housing needs in selecting families for admission.

Question. What about the claim that the cost of the public housing to be assisted under this bill would be greatly in excess of the average cost of new private housing?

Answer. The public housing projects to be assisted under this bill would be constructed by qualified private contractors under contracts let by local housing authorities after competitive bidding. As has been the case since the inception of the public housing program, the bill requires the Public Housing Administration to make certain that the projects not be of elaborate or extravagant design and materials and that economy be promoted in construction and operation. The bill also would require the PHA to approve specifically the amount of each main construction contract, after taking into account the level of construction costs prevailing in the locality involved.

These requirements and safeguards provide assurance that public housing projects will be constructed economically and at costs no greater than for comparable private housing built under similar conditions. The fact that economy has been observed in such construction is borne out by the record of the low-rent projects built under the existing United States Housing Act program, principally during the years 1938 to 1942. The average net construction cost of the dwellings built under that program was \$2,882 per unit and the average over-all development cost, including sites, utilities and all other expenses, was \$4,649 per dwelling. While these are largely prewar costs and could not be duplicated today, they compare very favorably with the costs of comparable private construction during the same period.

Question. Will the public housing proposed in this bill compete with private housing?

Answer. Occupancy of the low-rent public housing to be assisted under this bill will be restricted to families with incomes too low to afford adequate new or existing private housing. In fact, the bill requires that local housing authorities, in establishing maximum income limits for admission to low-rent projects, leave a gap of at least 20 percent between the upper rental limits for admission and the lowest rents at which decent private housing, new or old, is generally available for rent or for sale in the locality involved.

The bill further requires the local authorities to set maximum income limits for continued occupancy of the projects, to reexamine the incomes of all tenant families each year, and to require those families whose incomes have increased beyond the maximum for continued occupancy to move from the project.

Under these requirements, there clearly can be no competition between low-rent

public housing and decent privately owned housing, whether new or old.

Question. Since the comprehensive bills before previous Congresses would have authorized a program of only 500,000 public housing units, what justification is there for the program of 810,000 units proposed in the pending bill?

Answer. The first comprehensive housing bill, passed by the Senate in April, 1946, but not finally enacted, proposed a public housing program of 125,000 dwellings a year for 4 years, or a total of 500,000 units. The succeeding general bill, passed by the Senate in April, 1948, but again not enacted, also proposed 500,000 units. The pending bill calls for 135,000 units a year over 6 years, or a total of 810,000 units.

The earlier bills approved by the Senate clearly contemplated that before the completion of their proposed public housing programs, Congress would reexamine the whole need for public housing, measure the results accomplished, and make provision for whatever additional action was shown to be justified. In no way was it the consensus of the Senate that 500,000 public housing units would meet more than a small fraction of the need for decent shelter on the part of low-income families living in the slums.

Since that time, with no action taken to authorize a resumption of the low-rent public housing program, the need for such a program has been reexamined by the Congress in studies which have shown conclusively the prevalence of bad housing for millions of low income families. In the light of those findings, the extension of the public housing program proposed in the pending bill represents a minimum program in terms of the acute housing needs of underprivileged families, as well as an effort in some measure to make up for past delays in the resumption of the program.

Question. What about the claim that the public housing program in this bill would increase the inflationary pressure on the supply of materials and labor?

Answer. The bill would authorize the construction of 135,000 dwelling units per year, representing about 10 percent of the total annual housing construction which the report of the Committee on Banking and Currency estimates to be the average requirement if real progress is to be made in solving the housing problem.

Building materials production has expanded remarkably since the end of the war and the supply situation has greatly improved. Similarly, there has been steady growth in the supply of trained building labor. On the basis of this past experience, it is reasonable to anticipate that the supply of both materials and labor will continue to expand as total housing production is built up to the needed levels. In the light of the over-all level of needed housing production, the volume of public housing authorized in this bill clearly would represent a minor factor in the supply situation.

The bill also would authorize the President to increase the number of public housing starts authorized in any one fiscal year to not more than 250,000 units, or to decrease them to not less than 50,000 units, if he finds such action to be in the public interest, after advice from the Council of Economic Advisers as to the effect of such increase or decrease upon conditions in the building industry and upon the national economy.

Question. Would it not be preferable to substitute a Federal capital grant for the system of Federal annual contributions for public housing?

Answer. The purpose of the annual Federal contributions for low-rent housing is to provide the subsidy needed, in combination with local tax exemption, to achieve



the low rents required by low-income tenants. Over the life of a public housing project, this annual subsidy varies substantially from year to year, in accordance with changes in economic conditions and in the income levels of tenants. Under the annual contributions system, only the actual amount needed for the particular year is paid by the Federal Government—up to the maximum rate specified in the contract with the locality. As is shown by the experience during recent years, under special circumstances the actual contributions paid by the Federal Government may represent only a small percentage of the maximum amount contracted for.

If, instead, a capital grant system were used, a grant equal to the total cost of developing a public-housing project would be necessary if the same low rents were to be achievable as under the maximum annual contributions contracted for in the present system. But under a capital grant system, the Federal Government's contribution would be frozen at the maximum amount; there would be no basis of recovery of any part of this grant if in later years conditions so changed as to make a lesser subsidy actually necessary. In the meantime, the full cost of the Federal grant would be a charge on the public debt. Furthermore, a capital grant system would make it impossible to take advantage of the savings attainable through financing the cost of public-housing projects through local housing authority bonds. This would be possible under the annual contributions system as perfected in the Housing Act of 1949.

Question. Why is it necessary or desirable for the Federal Government to undertake a comprehensive program of housing research?

Answer. There is wide agreement that the basic cause of the excessive cost of housing is the relative technical backwardness of the housing industry as compared with other mass industries. At the same time, because of the complexity of the industry and the fact that it is composed largely of a wide range of specialized small business firms, no single firm or group of firms has either the resources or a sufficiently broad stake in the industry as a whole to undertake the comprehensive program needed to modernize the whole process of housing production and marketing.

For this reason, it is clear that leadership and assistance by the Federal Government is essential if real progress is to be made. The establishment of a comprehensive Federal program of housing research was strongly recommended by the Special Senate Subcommittee on Housing and Urban Redevelopment in 1945 and again by the Joint Committee on Housing in 1948. Legislative authority to that effect, largely similar to that in the Housing Act of 1949, was contained in the previous comprehensive housing bills approved by the Senate in the Seventy-ninth and Eightieth Congresses.

Under the pending bill, the Housing and Home Finance Agency would coordinate the housing research now in progress both publicly and privately, cooperate with both private and public institutions and with industry in stimulating additional needed research, undertake through its own facilities the types of research which cannot otherwise be accomplished, and make widely available the results of these coordinated activities for application by the housing industry and communities. This research program would seek to make possible basic improvement in the whole range of technical, social and economic problems involved in the field of housing.

Question. Is there any merit to the argument that the authority for research should be placed elsewhere in the Federal Government rather than in the housing agency in order to avoid distortions in information?

Answer. There would appear to be no

merit in this argument. Under the same reasoning, Federal research in agricultural problems should be divorced from the Department of Agriculture, research on monetary and banking problems should be divorced from the Treasury Department and the Federal Reserve Board, and research on atomic energy should be divorced from the Atomic Energy Commission.

Clearly, the responsibility for housing research should be placed in the agency which has responsibility for the principal housing programs of the Federal Government and which is the central point of contact on housing for the Congress, industry, communities, and the general public. While important research activities affecting housing are conducted in other Federal agencies and departments, these are incidental to other programs and in no case are housing problems as such the primary concern.

Under the pending bill, the Housing Administrator would be directed to utilize to the fullest extent feasible the available research facilities of other Federal departments and agencies. But the responsibility for conducting the research activities needed to overcome many of the basic housing problems long confronting the Nation would necessarily and logically be centered in the same agency which has the primary responsibility for the other major housing programs aimed at relieving those same problems through Federal financial aid and assistance.

Question. What is the justification for a special program of Federal aid for farm housing?

Answer. While there has been improvement in farm housing conditions during recent years, nevertheless a much higher proportion of farm dwellings than urban dwellings are in bad physical condition and a large majority of farm houses lack many of the facilities considered essential in urban housing. Furthermore, nearly a third of the Nation's farm families do not receive sufficient income from their farming operations to finance the needed improvements to their homes and the other building improvements essential to successful farm operations.

At the same time, it is clear that a farm housing program must be closely related to the farm economy and that housing programs developed primarily to meet the needs of city dwellers, either through private housing or public housing, are not adaptable to the special requirements of the farmer.

The farm housing title in the pending bill recognizes, first, that Federal financial assistance for the improvement of housing conditions on farms is an indispensable part of any broad housing program, and, second, that such assistance should be closely related to the Federal Government's over-all program of aids to farmers.

The bill therefore authorizes a special program of financial assistance through the Department of Agriculture and the Farmers Home Administration. This program is designed specifically to meet the problems of farmers who cannot get credit elsewhere to finance the construction of adequate homes or other essential farm buildings. The program would also provide research and technical services, pointed toward more efficient and more economical construction of farm dwellings and buildings.

Question. What will be the cost to the Federal Government of the various programs proposed in the pending bill?

Answer. Aside from certain administrative expenses, the direct costs to the Federal Government would be through capital grants for local slum-clearance programs, annual contributions for low-rent public housing, and grants and contributions for farm housing.

The bill authorizes contracts for capital grants for slum-clearance projects at an annual rate of \$100,000,000 for 5 years, or a

total of \$500,000,000. Contracts for annual contributions for low-rent public housing could be made for a maximum of \$85,000,000 in the first year and could be increased by annual increments to an over-all maximum of \$308,000,000 a year after the sixth year. These annual contributions could run over a 40-year period. The figure of \$308,000,000 represents the maximum which could be paid in annual contributions for public housing in any one year; on the basis of past experience it is anticipated that actual payments will not average over two-thirds to three-quarters of this maximum. For farm housing, the bill authorizes an aggregate of \$12,500,000 in grants over a 4-year period and commitments for annual contributions starting at \$500,000 the first year and reaching a peak of \$5,000,000 after the fourth year. These annual contributions could not be paid for more than 10 years.

At all stages, these direct costs would amount to less than 1 percent of the present Federal budget.

The loan authorizations in the bill for slum clearance, low-rent public housing, and farm housing would all be repayable with interest. The cost of the program of housing research would be determined from year to year by the Congress through the normal appropriations procedure.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 226) making temporary appropriations for the fiscal year 1949, and for other purposes, in which it requested the concurrence of the Senate.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. LUCAS. Mr. President, I had not intended to make a statement on the housing bill until later in the course of the debate. However, in view of the fact that the House of Representatives is still considering a continuing resolution in respect to the deficiency appropriation bill, and I do not believe the conference report on the deficiency appropriation bill has yet reached us, I think I shall take a little time to make a brief statement with respect to the present housing bill.

Mr. President, we have before us a measure which affects the lives of millions of our fellow Americans. Housing is probably the most important thing in the lives of the people. The need for decent shelter is a fundamental human need.

We know that a severe shortage of housing still exists in America. Here in the Senate we had to pass a rent-control bill not long ago, because we realized that millions of people cannot find housing at prices within their means. In the United States today, in the richest country in the world, families are crowded into living quarters with other families because there are not enough low-priced homes to go around. Many thousands



of Americans are forced to live year after year in shacks, trailers, tourist cabins, or other temporary dwellings, because they cannot afford to purchase permanent homes.

The Joint Congressional Committee on Housing, which made a thorough investigation of this problem, found that there are at least 3,300,000 families doubled up with others or packed into make-shift dwellings.

I ask whether that is a satisfactory way of living for Americans.

I ask whether it is a situation which makes for national health.

I ask whether such conditions do not breed crime and disease, misery, and, perhaps ultimately, rebellion.

I ask whether such conditions offer a proper environment in which to bring up children—the citizens of tomorrow.

I ask whether such conditions do not give an opportunity for Communism—which, to my way of thinking, is the most deadly menace of all—to thrive and prosper in communities of that kind.

There should be no room in America for slums. The ghastly areas of ramshackle tenements which blight so many of our cities today are un-American. Yet approximately one out of every five of our urban families now exists in a blighted area. Such conditions cannot continue if America is to continue, in the future, on the road to happiness and progress.

It is a shameful fact that more than 5,000,000 families in the United States are forced to struggle along in the most sordid surroundings, marked by filth and dilapidation. These people do not live in such places because they want to do so. The desire for a decent home is just as strong in a poor man as it is in a man with a high income. But the families of poor men stay in the slums because they simply do not have the money to pay even the lowest rents at which satisfactory housing is available. I do not say that is true of every person, but 90 percent of the people who are poor—and I know something about people who come from families with low incomes—have the urge to leave such environments and to do better for themselves. Many times all that is needed is the right kind of start, the right kind of push; and certainly a decent home or a decent room—decent shelter—is one of the fundamental things which will make better citizens for the United States of tomorrow.

Private builders cannot construct housing for these people at present costs and make enough profit to remain in business. If the problem could be solved by private industry, I would be very willing to leave it in the hands of private builders. Yet the builders themselves have admitted that they need Government aid in this field.

The findings of congressional investigations during the last 5 years have made it clear that only through an effective program of Federal assistance can real progress be made in clearing away our slums. This is amply supported by the testimony presented on behalf of the United States Conference of Mayors and the American Municipal Association.

The Surgeon General of the United States has testified that a Federal housing program on a large scale is urgently needed to remove the evil effects of slums on the lives and development of millions of American families and their children.

Mr. President, all of us pay a steep price for the existence of slums. We pay in medical bills and hospital bills, because diseases which often begin in the slums spread rapidly to other areas. We pay in taxes for law-enforcement agencies, homes for delinquent children, and great numbers of jails and prisons for young criminals who rise from slums. We pay in time of war, when we find that hundreds of thousands of young men from slums are not physically fit to fight for our country. We pay in social and moral ways, because slums weigh on the consciences of many citizens and provide propaganda for communistic and radical groups.

Mr. President, cities are not the only places where slums spread their blight. We have slums in our rural areas, too. The provision of Federal financial assistance for the improvement of housing conditions on farms is an indispensable part of any housing program. The effects of bad housing apply with equal force on farm families, on the health and character of their children, as they do on families in our cities and towns.

While there has been great improvement in farm housing since 1940, the truth is that after nearly 10 years of farm prosperity, nearly one-third of the Nation's farm families do not have sufficient income to finance the needed improvements on their homes and to build the new homes urgently needed. The man who runs a farm does not have a choice of dwellings comparable to the choice generally available to the worker in the city. The uncertainty of agricultural income, in addition to other hazards of farming, has prohibited long-time financing of building improvements on many farms. Neither the insurance of private investments by the Government nor the urban type of public-housing assistance will meet the need of more than 1,000,000 farm families for adequate, decent, safe, and sanitary housing and other necessary farm buildings.

A special type of financial aid, designed to meet the problems of the farmers who cannot get credit elsewhere, and a program of research and technical services, pointed toward more efficient and more economical construction of farm buildings, must be undertaken by the Federal Government.

The authority for such assistance is provided in title IV of S. 1070.

In S. 1070, we have a housing bill which will assure the building of enough homes to satisfy most American needs, reduce costs, clear the slums, and provide decent living places for most of the low-income families on the farms and in the cities and towns.

Mr. President, we can render no greater service to the American people than we can give through the passage of this bill.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Washington?

Mr. LUCAS. I am delighted to yield.

Mr. CAIN. I am exceedingly interested in what the Senator has just been discussing. If I correctly heard the Senator's reference, he mentioned Senate bill 1070 as assuring a sufficient number of houses to satisfy the needs of America.

Mr. LUCAS. Most of the needs.

Mr. CAIN. I beg the Senator's pardon.

Mr. LUCAS. If I said that, I made a mistake. In Senate bill 1070 we have a housing bill which will assure the building of a sufficient number of homes to satisfy most of the American needs, reduce costs, clear the slums, and provide decent living places for most of the low-income families on the farms and in the cities and towns. However, I should say that includes most of the low-income groups. In other words, in the judgment of the Senator from Illinois, this would make a magnificent start toward providing low-income families, not only in the cities and towns, but on the farms as well, with decent places in which to live.

Mr. CAIN. I am certain the Senator will agree with me that the homes to be constructed under the bill are designed to satisfy the needs of the low-income groups. That entirely neglects at this time a consideration of the overall housing requirements of the Nation.

Mr. LUCAS. The Senator is eminently correct. I concur wholeheartedly in the statement he makes. We see eye to eye on that very important question.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SPARKMAN. Of course the Senator from Illinois, our distinguished majority leader, does not lose sight of the fact that this is only one part of the general over-all housing program, but an important part, if we are to have an adequate housing program. Is that not correct?

Mr. LUCAS. The Senator of course is correct.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MCCARTHY. I may say I had planned to be on the floor to ask certain questions of the Senator from Alabama. The Senator has yielded the floor. The matter is important to me, and I should like to ask a question and receive an answer tonight.

Mr. LUCAS. The Senator from Alabama will stay on the floor, if the Senator from Wisconsin starts interrogating the Senator from Illinois, because I may say, or rather confess, I may have to lean heavily upon the Senator from Alabama, who is an expert on housing. I merely pay the rent.

Mr. MCCARTHY. I may say as a preface to my question I think that—

Mr. WHERRY. Mr. President, will the Senator yield for a question of the majority leader?



The PRESIDING OFFICER. Does the Senator from Illinois, or the Senator from Wisconsin, yield?

Mr. LUCAS. I yield.

Mr. McCARTHY. We yield all around.

Mr. LUCAS. I will yield to my good friend from Nebraska, who I am sure has something important to say.

Mr. WHERRY. I do not know how important it is.

Mr. LUCAS. I saw the Senator talking to the distinguished Senator from Arizona.

Mr. WHERRY. That is correct.

Mr. LUCAS. When the Senator from Arizona is around, that means it is something important.

Mr. WHERRY. I agree.

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. WHERRY. If I may inquire of the majority leader, it is not the purpose to consider the continuing resolution on the deficiency bill tonight, is it?

Mr. LUCAS. The Senator from Tennessee said he would be in the Appropriations Committee room, and when the continuing resolution came from the House we should send for him immediately. I now request someone to notify the Senator from Tennessee. As soon as he arrives on the floor we shall discuss the continuing resolution on the deficiency appropriation bill. I now yield to my friend, the Senator from Wisconsin.

Mr. McCARTHY. I am glad the distinguished Senator from Alabama is present. He may want to supply the answer. It is very important to me that I have an answer to the question tonight. The answer will determine to a large extent just what amendment, if any, I shall offer Monday morning. First, let me say, referring to the public housing section, I think the bill is infinitely better than any other public housing bill which has ever been introduced previously on the Senate floor, by reason of certain changes in the yardstick to be used in the selection of tenants. I think the slum-clearance provision is excellent. I do not think too much of one part of the farm housing section, but if the Senator will turn to page 27, line 16—

The PRESIDING OFFICER. Is the question of the Senator from Wisconsin addressed to the Senator from Alabama?

Mr. McCARTHY. Yes, I was waiting momentarily for the Senator. If the Senator will turn to page 27, line 16, of Senate bill 1070, he will notice under (i) a provision to remove the apparent discrimination against families who are receiving any part of their income from relief, widow's pension, and so forth. I believe the Senator and I wholeheartedly agree on that. We come then to the subsection starting in line 20, reading as follows:

(ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing need, and therefore, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs.

What is the Senator's interpretation of that particular phrase? Let me put the question differently. Does the Senator understand it to mean that in selecting tenants initially, the determining factor shall be the question of housing need, regardless of income, so long as it comes under the income level that is set?

Mr. SPARKMAN. That is correct. I may say the provision received about as careful consideration by the committee as did any other provision of the bill. We discussed almost every conceivable formula for making certain that the people who ought to have the housing should have it. We discussed it, and an amendment was offered to set an arbitrary income level. We then realized that sometimes it might operate successfully, at other times not; so we decided that the best way was to say that in the initial selection the applicant with the most urgent housing need should be accepted. Of course, it would have to be a family within the prescribed income level. That is the first condition to be met.

Mr. McCARTHY. In other words, the provision does not contemplate a minimum income which a man must have; the bill merely establishes a maximum; is that correct? In other words, it is not said in effect that unless an individual is making \$1,000, \$1,200, or \$1,500 a year, he shall not be eligible, is it?

Mr. SPARKMAN. No, not at all; nor does the bill measure the need by the little amount that he may be making. One person might have no children in his family; another might have half a dozen. Certainly there ought to be a difference in income. One may live in a fairly decent house; another may be living in a slum, or in a place that is not a sanitary or decent place in which to live.

Mr. McCARTHY. In other words, the purpose of the subsection is to provide that in selecting tenants, the size of the family, the income, and conditions of health shall be taken into consideration. Is that correct?

Mr. SPARKMAN. All the things which the Senator from Wisconsin mentions would be taken into consideration in determining the question.

Mr. McCARTHY. I hope I am wrong, but I am firmly convinced, I may say to the Senator, that the language does not do what the Senator and I want it to do. It is trick language. I refer to line 21. The wording is "at specified rents." I have talked to a number of men familiar with public housing matters. They requested that I not use their names on the Senate floor, but they tell me that in selecting a tenant initially, after the project has been built, of course, there is a determination of the average rent that must be obtained in order to cover the cost of administration. Very well. In other words, the subsidy does not cover the cost of administration. We may say that in different cases the rent runs \$30, \$31, or \$32 a month. If presently someone who has an income enabling him to pay \$40 or \$42 a month goes into the particular public-housing unit, someone else in a lower-income bracket may be accommodated. In other words, if the average rent which must be obtained

is \$30 a month, unless some one is paying \$40 a month, a tenant cannot be put in at \$20 a month. Does the Senator follow me?

Representatives of the Public Housing Administration claim they have studied the language very carefully and that it does not provide, in effect, that the yardstick to be used in selecting tenants shall be the greatest housing need. They say, in effect, that unless there are some over-income tenants in the project, they cannot give those in the lower-income scale the opportunity of occupying public housing. They say, first, that we must eliminate specified rents, and, second, provide an additional subsidy in case all the families are \$22.50-a-month tenants. I am wondering if the Senator would consent to go along with me to the extent of changing the bill to accomplish that which he has just stated will be accomplished and which the legal minds of the Housing Administration say will not be accomplished.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Wisconsin regarding the bill. I know how earnestly he worked on the housing bill in the Eightieth Congress, and I know he pays a great deal of attention to matters of this kind. It may be that the Senator has a point on the question regarding specific rents. Frankly, I have not thought of it in that way. I shall be very glad to study that particular suggestion.

Mr. McCARTHY. Does the Senator understand that I am not advocating taking solely welfare cases. I merely want the language sufficiently clear so that the Housing Administrator in Milwaukee or in Alabama has an absolute right to say he will select those who most need the public housing, and then go on up the line. I shall state what it would mean, and I call it to the Senator's attention so that he may give it some thought over the week end. It would mean that the Administrator would first fix the average rent. Let us assume the average rent is \$32 a month. I understand rents are fixed not to cover amortization, or any interest charge or taxes. Those matters are taken care of by the city and the Federal Government in the subsidy. Under the language of the bill at this time, the Administrator would go a step further and say, "We want to get some of the poorer people in the project." He would go down to the \$20-a-month level. That would mean that if there were one tenant who could pay no more than \$20 a month, the Administrator would have to select one who could pay \$40 a month, to make up the difference. He would first specify how many he wanted of the \$35 class, how many of the \$45 class, how many of the \$30 class, and how many of the \$20 class. Then he would try to determine the housing needs in those particular classes. Let us say that John Jones is earning \$600 a year, and he has six or seven children. With food costs what they are, I assume the Housing Administrator would decide that John Jones could pay no more than \$20 a month. That would mean that if the \$20-a-month class were filled, and there were apartments which should rent for \$42 a month, some person who had a tremendous housing need would not be eligible



for the housing. I am sure the Senator does not want that to be the result. I think the language should be radically changed. We must recognize, if it is changed, that the cost of public housing will be slightly greater; but, so long as we will spend \$15,000,000,000 on this program, anyway, I should say that another three or four hundred million dollars would accomplish the task we want to accomplish.

In closing, I should like to ask this question so that the Senator from Alabama may think about it over the weekend. May I have the Senator's assurance that he will go over the language carefully and will join me in any necessary amendments to provide that the sole determining factor in selecting tenants for public housing will be housing need?

Mr. SPARKMAN. I shall certainly be glad to study the language carefully, particularly in view of the theories which have been expressed by the Senator from Wisconsin. Personally, I think his fears are unfounded. Certainly it is not the intention of the committee that the law shall operate in the way the Senator has suggested it will operate. As a matter of fact, I do not believe there will be any need for the additional contribution, anyway, because experience has shown during the first 6 months of 1948—and I think these are rather interesting figures—that of the new admissions of families with incomes of less than \$500 a year, nine-tenths of 1 percent in that class were taken in. Of families with incomes of \$500 up to \$1,000, 11.5 percent of the new admissions were in that class. In the class of \$1,000 up to \$1,500, there were 39.7 percent. In the class receiving incomes of \$1,500 to \$2,000, there were 38.6 percent. In the class receiving \$2,000 to \$2,500, there were 8.2 percent. In the class receiving \$2,500 up to \$3,000, there were 1.1 percent.

That represents the distribution. It has not resulted from any deliberate picking, such as the Senator has suggested. It is simply the manner in which tenants came and were admitted. I think we can rely on a similar schedule.

Mr. McCARTHY. Mr. President, will the Senator from Illinois bear with me a little longer?

Mr. LUCAS. Mr. President, a concurrent resolution has just come over from the House, and if I can have it considered by the Senate, because the House is waiting on it, it will be perfectly all right with me to debate the housing bill as long as may be desired.

Mr. McCARTHY. Very well.

#### EASTER ADJOURNMENT OF HOUSE OF REPRESENTATIVES

Mr. LUCAS. Mr. President, I send to the desk House Concurrent Resolution 56, and request its immediate consideration.

The PRESIDING OFFICER (Mr. FREAR in the chair). The clerk will read the resolution.

The resolution (H. Con. Res. 56) was read as follows:

*Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, April 14, 1949,*

*it stand adjourned until 12 o'clock meridian Monday, April 25, 1949.*

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, the majority leader has asked for immediate consideration of the concurrent resolution. I understand it has no bearing upon the plans of the Senate, and that the Senate, according to the announcement previously made, will convene again on Monday next. Is that correct?

Mr. LUCAS. That is correct.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the resolution (H. Con. Res. 56) was considered and agreed to.

#### FIRST DEFICIENCY APPROPRIATION BILL, 1949—CONTINUING RESOLUTION

Mr. McKELLAR. Mr. President, will the Senator yield in order that I may make a statement?

Mr. LUCAS. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the conferees on the part of the Senate and on the part of the House have failed to reach a conclusion on the first deficiency appropriation bill which was passed by the Senate yesterday. There are several points of difference. The House has passed and sent to the Senate a continuing resolution. But, as the Senate will meet on Monday next, as I am informed by the distinguished majority leader, I make the request that the continuing resolution go over until next Monday, when it can be given careful consideration.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to ask the Senator from Tennessee if he does not think that is the proper procedure?

Mr. McKELLAR. It seems to me it is the only procedure the Senate can, with propriety, follow at this time.

Mr. WHERRY. Mr. President, I want to say to the distinguished Senator from Tennessee that I am in agreement with him. I feel that that is the only proper course which can be taken at this time. I am in total agreement with the Senator that we should hold the resolution over until Monday, and take action at that time.

Mr. McKELLAR. I thank the Senator.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. McCARTHY. Mr. President, may I propound a question?

Mr. LUCAS. I yield the floor.

Mr. McCARTHY. I wonder if the Senator from Alabama will take the floor so that I may ask him questions.

Mr. SPARKMAN. Mr. President—

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. SPARKMAN. I yield.

Mr. McCARTHY. As the Senator knows, I have been spending a great deal of time going through the bill with a fine-tooth comb, and I think that essentially it is a good measure. I think the Senator has done good work as a whole, and I hope he will not consider my questions as critical of the work done by the committee.

Is it the Senator's thought that we should provide under the legislation, first, that there should be a ceiling on incomes, as the bill presently provides?

Second, does the Senator think that there should be no minimum whatsoever; in other words, that no person should be excluded because his income is not sufficient?

Third—and this is the important matter, the one we have been discussing so long—does the Senator agree with me that we should provide definitely that the sole determining factor in selecting tenants originally should be housing needs, remembering that we are not restricting it to any class? Do we agree that that should be the sole yardstick?

Mr. SPARKMAN. Within the income level. I believe that is what we do.

Mr. McCARTHY. Within the income ceiling, the Senator means?

Mr. SPARKMAN. That is correct, and of course it should be kept in mind that the ceiling is not necessarily a fixed ceiling. For instance, take the case the Senator was discussing a while ago, the phrase to which he took exception; about specified rents, again going back to the example the Senator cited, where the Authority arrived at the price it should get for a certain rental unit. If a person had an income more than five times the rent of that unit, he would not be eligible to occupy the unit.

Mr. McCARTHY. That is correct.

Mr. SPARKMAN. I mention that in order that we may get out of our minds the idea that the income ceiling is fixed, because it may be flexible.

Mr. McCARTHY. I hope the Senator will pardon me for being so technical, but I think we must be, in connection with this bill. I think we must tie it down to accomplish what we desire to accomplish.

Let us assume that project A in Chicago, Ill., has been built, and the local administrator estimates the cost of operation as the administrative cost, and arrives at a figure of an average rent which he must charge in order to cover the cost of administration. Let us say that average cost is \$30.

Let us assume that when he has finished sifting all the prospective tenants, he finds that their incomes are so low and their families so large that none of them can afford to pay more than \$20 a month. Is it the Senator's understanding that all those families, who can pay no more than \$20 a month, will be given priority, even though the administrator says, "I must collect an average rent of \$30 in order to cover the cost of administration"?



Mr. SPARKMAN. The Senator must keep in mind—

Mr. McCARTHY. If the Senator will pardon me, my reason for bringing that up is that I think if we are to accomplish the purpose desired we must add an amendment to the bill so as to provide, in cases where the incomes are so low that, in selecting those who most need the housing, we get down below what is called an economic rent, that a greater subsidy shall be paid in order to take care of the cost of administration. If we do what I have always wanted to do in public housing and what the Senator I am sure wants to do, we must advance a step further in granting a subsidy and make the subsidy cover not merely the cost of amortization, the taxes, and the interest charges, as it does today, but, where it is found necessary, where the tenants' incomes are so low they cannot pay an economic rent, make the subsidy sufficient to cover a part of the cost of administration. That is why I call it to the Senator's attention.

Mr. SPARKMAN. If we felt that the condition the Senator has described was going to exist, it might be that such language as he has suggested would be helpful. But, as a matter of fact, experience has shown that that condition will not exist. I believe that in propounding his question the Senator is thinking of need in terms of income.

Mr. McCARTHY. No; I am not.

Mr. SPARKMAN. That is only one of the factors, and is one among so many that I do not believe the condition the Senator mentions may reasonably be expected ever to exist.

Let us say that there are 100 people on a list for vacant units in a project. Of the 100 people it is not likely that those who are going to be most urgently in need of housing are those at the bottom of the scale of income. One family of the 100 may have an income of \$2,500, and yet perhaps may need housing the worst, and perhaps can qualify. There may be half a dozen children; the family may have been burned out, be doubled up with relatives, or they may have been evicted from some other place. They may live in a house which has been condemned, and that family with several children and with a \$2,500 income might be the very family that needs housing most.

Mr. McCARTHY. I am disturbed about this because of what I found in our investigation last year. The Senator knows I visited every sizable city in the United States, from San Francisco to New York, from New Orleans to St. Paul. We found some very unusual conditions existing in the administration of the housing act, not because of incompetence on the part of the public housing administrator, either local or national, but because of the congressional mandate under which they had to work.

For example, in Detroit we found there was a vast number of over-income tenants. We did not have a chance to talk to the administrator himself, but we talked to a number of people concerned about the project, and they said, "We must have the over-income tenants in order to accommodate those in the low-

er brackets, because unless we get over-income tenants in the project, from whom we can collect sizable rents, then we cannot take those in the lowest scale."

There came before us a widow, who happened to be a war widow, who had four children. She was getting the usual widow's pension. She was told by the local administrator that she would not qualify, she could not get into public housing, because she fell in a particular income bracket. In other words, the apartments which would rent for around \$25 a month were all filled, and they had to have wealthier clients to fill up the \$45 apartments in order to balance the cost of administration. That condition exists in a number of places. There should be no object on the Senator's part, or on the part of anyone else, to saying, "We will provide in the public housing legislation, which we all say is to take care of those who need housing the worst, that the local administrator shall not only have the duty, but we will write the law in such form that he shall have the power, to take into consideration only one thing, that is, housing need." If we do that, then we have a good public-housing bill. If we do not do it, then I say we should under no circumstances ever pass a public-housing measure, because we should not have a continuation of the situation which exists today, when a man with five or six children and a sick wife is excluded from public housing because the rules and regulations which are issued, not by the Public Housing Administrator, whom we are all inclined to criticize when there is improper administration, but the rules and regulations prescribed by the Congress, tie the Administrator's hands so that he cannot provide housing for those who need it worst.

Under the circumstances, I very seriously request that the Senator join with me in sitting down with the legal staff of the Housing Administration and redrafting the bill so that it will accomplish the thing which he and I are now discussing, that is, provide only one yardstick. I repeat over and over purposely, so that there will be no mistake, my reference to the question of housing needs, regardless of where people are in the income scale, just so they keep below the maximum figure set. If the Senator will do that I am convinced we will have a good housing bill, one which can become a permanent part of our over-all housing program.

Mr. SPARKMAN. I am glad to have the suggestion made by the able Senator from Wisconsin. I do not know how many cases of the type he mentions there may be throughout the country. Naturally we will occasionally run into situations like the one he has described.

One thing, however, should be kept in mind, and that is that we have never really had a fair test of public housing. We started public housing before the war, and before we really had a chance to test it we were in the war. Then along came the matter of defense housing, Lanham Act housing, war-workers housing, temporary housing, housing of every kind, and we even let people move into public housing projects without regard

to their income levels, because they were needed in connection with war work at the place where the housing was. After the war was over the authorities began putting out persons whose incomes were too high. The Senator from Wisconsin knows that in our committee we received a great many complaints about the types of families that were placed in certain types of housing. When the authorities began evicting them we received a good many complaints because those who were evicted said they had no place to go. Then there was a statutory enactment authorizing and directing the authorities to permit those whom they proposed to evict to remain, until a few months ago, when the act expired. The act has now expired. People who do not qualify are being evicted.

The best experience we have had is that which obtained in 1948. The figures for that year I read to the Senator a few minutes ago.

We wrote the language in question into the bill purposely. It does not appear in the bill as a result of accident. As a matter of fact, the language we are talking about was written in the committee. We wrote into the bill a requirement that in the selection of tenants initially—I think it is only fair to emphasize the word "initially" in the beginning—the first preference should be given to those in most urgent need of housing. We did that because we felt that the purposes of public housing were to do that very thing.

Mr. President, I shall be very glad to discuss this matter with legal authorities, both on our staff and in the housing agency, in order to determine if the fears expressed by the able Senator from Wisconsin are justified, and if so, I shall be very glad to join with him in offering such language as may be required in order to carry out the real purpose of the committee in writing the language into the bill.

Mr. McCARTHY. I think the Senator was absolutely correct when he said there had never been a fair test of public housing, but that has largely been because of a congressional mandate.

Mr. SPARKMAN. No; I think the Senator should go further and say it has been because of the war and the conditions surrounding the war effort, even back before the war started, when the defense program got underway. We have never had a fair chance to test the program.

Mr. McCARTHY. Let me explain. Until this bill was drafted it had always been the congressional intent to provide public housing only for what are known as stable wage-earners. The Senator will recall that last year when the question of public housing was being considered we had a very heated and lengthy debate on the floor when I attempted to insert an amendment in line 16 to the effect that there shall be no further discrimination against anyone because of the source of his or her income. In other words, the purpose was that no one could be excluded because a woman, for example, was receiving a widow's pension, or because a man or woman was on relief, or what not. At that time the ar-



gument was made by the Senator from Louisiana [Mr. ELLENDER] was that if we were, in the first place, to provide that there should be no discrimination against those receiving widow's pensions, and, in the second place, to provide, in effect, that the greatest housing need should be the controlling factor, then in effect we would have more or less of a poorhouse.

The Senator and I realize that if we are to take care of those who need housing the most, it will be much harder to administer the measure than if we continue as we have in the past, that is, to provide housing only for the stable wage earners.

Mr. President, I am disturbed about the language appearing in lines 20 and 21. Last year, when I offered an amendment which, incidentally, I am happy to state, the Senator from Alabama did not oppose, providing that the question of greatest housing need should be controlling in selecting new tenants, the amendment was very vigorously objected to by the sponsors of the so-called Taft-Ellender-Wagner bill, so finally, we watered it down by saying that those who were in the greatest need of housing should be given the first consideration. When I suggested that those who had the greatest need should be given priority in obtaining housing accommodations, the suggestion was fought vigorously and successfully. I am frank to say that it disturbs me to see what I call trick language in lines 20 and 21.

Mr. President, I am not saying this on the spur of the moment, for I have gone over it in great detail. I have discussed it with 10 lawyers, some in the Housing Administration, and they all agree with me that this language defeats the purpose the Senator has in mind; that it will not provide for tenancy on the basis of greatest housing need.

Now that I am sure we both agree as to what we want to do, I know that over the weekend we can sit down and draft language which will accomplish the purpose we have in mind.

Mr. SPARKMAN. I appreciate what the Senator has pointed out, and I assure him that I shall be very glad to study the matter.

Mr. President, if there is no further business, to come before the Senate, I move—

Mr. McCARTHY. Mr. President, while the Senator is on the floor, I wish to point out another thing to him. The bill contains a farm housing section which I think is ridiculous to the point of being ludicrous. It is a farm housing section which provides for a number of unusual things. One section in the bill is what we referred to last year as the "toilet section" and provides that a farmer may secure a grant of \$500 for repairing his toilets. It provides that the Secretary of Agriculture shall appoint in each county and in each parish of the whole country three commissioners. They will be paid on a per diem and an expense basis. As I look over that section of the bill and see the amount of money we have appropriated, I cannot help but be convinced that after we get

through paying the three commissioners in each county their per diem and their expenses, there will be no money left to make grants for toilets. The provision would mean the setting up of a great mass of employees throughout the Nation who would investigate and find all the farmers who needed their toilets repaired, but by the time they had completed their work of investigation, and had come to the point of making the grants of the money, all the money appropriated would have been used for the commissioners' salaries and expenses.

Mr. President, I ask the Senator if he will over the week end consider joining with us in a motion to strike out this rather ridiculous section from the farm housing title of the bill. I am not referring to the entire farm housing portion of the bill. The first and second sections I believe to be good. They cover the marginal farms. They cover those which are self-supporting. When we get down to the farms that never can be self-supporting, and appropriate for them merely a small amount of money, simply enough to pay the horde of bureaucrats we shall be obliged to hire, thereby trying to create the impression of giving the farmer something, I think such a provision is simply deceptive. I do not know how many counties and parishes there are in the United States, but there are a great many.

Mr. SPARKMAN. Three thousand rural counties.

Mr. McCARTHY. That will mean the employment of 9,000 commissioners to be paid on a per diem and expense basis. If we check the amount of money we are authorizing, by the time we get through paying the political army—and there is no question that it will be just that—there will be nothing left. In fact, if I were running for reelection tomorrow I would not mind having the right to appoint the members of this army in my State.

Mr. SPARKMAN. Mr. President, I am about to move that the Senate stand in recess; but before doing so, let me say to the Senator from Wisconsin that I hope he will think about this subject over the week end.

Section 404, the section to which he referred as being ridiculous and ludicrous, is not so at all. I wish to say in all earnestness that this is the only part of the bill that provides anything like slum clearance for the great mass of farmers who are living in slums on farms. We are willing to spend one and a half billion dollars to help clear slums in the cities; and I think that \$12,500,000 to do a little something to improve slum conditions in the country is not to be taken lightly, or to be termed ridiculous or ludicrous.

With regard to the horde of Federal workers, 9,000 of them, as alleged, the bill does not provide for a single additional worker. There will be just as many workers if section 404 is stricken out as there will be if section 404 is left in.

Furthermore, speaking of the committeemen, I am sure that the able Senator from Wisconsin knows that the

Farmers Home Administration, which will administer this farm-housing section, already has a committee in every rural county of the United States, or practically so.

Mr. McCARTHY. Oh, no.

Mr. SPARKMAN. I said, "Or practically so." Wherever the Farmers Home Administration administers its program, it has a committee. That is one of the principal reasons why we provide that the Farmers Home Administration shall administer this part of the program, because by doing so it could use exactly the same committee which it already has in the county. I do not know of any Government agency which is doing a better job than the Farmers Home Administration. By the way, it is already doing some of the work which the Senator from Wisconsin terms ludicrous. It is already doing it in the case of the tenant-purchase program.

Mr. McCARTHY. They are not building toilets.

Mr. SPARKMAN. It is already doing some of the work in the case of those under its rehabilitation program.

I wish to say for the benefit of those who may read the RECORD over the week end that they should not take this program lightly, or consider it as ludicrous. It refers to the possibility of building sanitary privies; and because it provides for that, in addition to putting screens on houses, repairing roofs, digging wells, and furnishing sanitary water supplies, and all those things the correction of which is so badly needed in order to prevent health hazards in the communities, someone who wants to criticize the program dubs it the "toilet" section of the bill. Let them call it what they may. It is a very fine and helpful part of this program, and an effort to do something to relieve to some extent slum conditions as they exist on the farms of the country.

Mr. McCARTHY. Mr. President, will the Senator yield for a further question?

Mr. SPARKMAN. Mr. President, I was about to move a recess. I must leave. I wonder if we could not postpone further questions until Monday. We are to be in session on Monday, and the bill will be before the Senate then. I am sure that we can go into these questions most thoroughly.

Mr. McCARTHY. That is certainly agreeable to me.

#### RECESS TO MONDAY

Mr. SPARKMAN. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate took a recess until Monday, April 18, 1949, at 12 o'clock meridian.

#### WITHDRAWAL

Executive nomination withdrawn from the Senate April 14 (legislative day of April 11), 1949:

#### POSTMASTER

#### NORTH DAKOTA

Henry Lemke to be postmaster at Wishek, in the State of North Dakota.



# House of Representatives

THURSDAY, APRIL 14, 1949

The House met at 11 o'clock a. m.  
The Reverend Dr. Joseph F. Thorning, associate editor of the *Americas* and World Affairs, rector of St. Joseph's Church, Carrollton Manor, Md., offered the following prayer:

Beloved Father, fountainhead of goodness, enlightenment, and love, make the light of Thy countenance shine benignly upon the Speaker of this House and upon all the Members of the Congress of the United States of America.

Grant wisdom in abundance, we beseech Thee, to the President of our country as well as to all his counselors.

Heavenly Father, look down with favor upon Thy children in the American Republics and Canada on this fifth official celebration of Pan-American Day on Capitol Hill.

Help Thy sons and daughters in the Americas to understand each other better; shower down Thy graces upon the intellects and wills of those who work for brotherly love among all races, nationalities, and creeds in the Western Hemisphere as well as in the entire world.

Unite us, Dear Saviour, whose blood was shed for the salvation and happiness of all mankind.

May the gifts of Thy holy spirit be poured forth copiously upon the people of the Argentine, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, the Dominican Republic, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

Inspire our minds and our hearts with the principles of true friendship, mutual respect, and an abiding attachment to liberty, representative government, democracy, and peace. This we ask in the name of the most blessed Trinity. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, its assistant enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 222. Joint resolution making an additional appropriation for the Veterans' Administration for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2632. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The message also announced that the Senate insists upon its amendments to

the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKellar, Mr. Hayden, Mr. Russell, Mr. Bridges, and Mr. Gurney to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1757) entitled "An act to amend and extend the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended."

## PAN-AMERICAN DAY

The SPEAKER. By House Resolution 151, the House has designated today, Thursday, April 14, 1949, for the celebration of Pan-American Day.

## CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 77]

Allen, La.	Heller	Pickett
Andrews	Herter	Plumley
Barden	Hill	Poulson
Baring	Hooven	Powell
Barrett, Pa.	Hoffman, Ill.	Quinn
Bolton, Md.	Horan	Ramsay
Brown, Ohio	Hull	Regan
Buckley, N. Y.	Jackson, Calif.	Riehlman
Bulwinkle	Javits	Sanborn
Burke	Jenkins	Scott, Hardie
Burnside	Jennings	Scott,
Chipperfield	Jensen	Hugh D., Jr.
Cleveland	Jonas	Sheppard
Cole, Kans.	Jones, Ala.	Simpson, Pa.
Dawson	Karst	Smith, Kans.
Deane	Kearney	Smith, Ohio
DeGraffenried	Kennedy	Smith, Va.
Dingell	Kilburn	Smith, Wis.
Dollinger	Kirwan	Taylor
Elliott	Klein	Thomas, N. J.
Elston	Kunkel	Thompson
Feighan	Lane	Velde
Fernandez	Larcade	Vursell
Frazier	LeCompte	Walsh
Fugate	Lichtenwalter	Welch, Mo.
Furcolo	Macy	Werdel
Gamble	Magee	Whitaker
Garnatz	Martin, Iowa	White, Idaho
Gavin	Miles	Wickersham
Gillette	Morrison	Wier
Gilmer	Morton	Willis
Gordon	Moulder	Wilson, Ind.
Gorski, Ill.	Multer	Withrow
Granahan	Murphy	Wolcott
Grant	Murray, Wis.	Wood
Green	O'Konski	Woodhouse
Hart	Pace	Woodruff
Hedrick	Passman	Zablocki

The SPEAKER. On this roll call, 311 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## FIRST DEFICIENCY APPROPRIATIONS, 1949

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 2632, an act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, KERR, RA-BAUT, TABER, and WIGGLESWORTH.

## PAN-AMERICAN DAY

The SPEAKER. As the Chair previously announced, this day has been set aside to celebrate Pan-American Day.

The Chair recognizes the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Speaker, we meet again to observe Pan-American Day. First. A day of recognition of the common goals of our great countries. A day of recognition of our good will, understanding, and mutual respect for each other.

Second. My friend and our former colleague, the distinguished gentleman from Alabama—the Honorable Pete Jarman—has taken charge of this significant occasion many times. Therefore I want to pay a special tribute to him in recognition of the splendid work that he has done to cement the friendship with our Pan-American neighbors. His outstanding achievements have by no means been limited to the promotion of better understanding and good will between these great countries but he has truly done yeoman service for this cause.

Mr. Speaker, for many years now we and our sister republics of this hemisphere have been observing April 14 as Pan-American Day. There is particular significance in this date. It is the anniversary of the resolution that created the Pan American Union in 1890.

The Pan American Union, in a sense, has been the hub of inter-American solidarity. The Union was not the original manifestation of cooperation among the American republics—that historic cooperation goes back to the early days of the nineteenth century. But the establishment of the Union proved to be an important milepost in the step-by-step development that brought inter-American relations to their present high state of development, where mutual respect, mutual interest, and mutual defense are the guiding principles.

Down through the years the Pan American Union has been an active en-



The Senate has just passed the \$5,580,000,000 appropriation for European recovery, which is the amount the Truman administration recommended. We would not quarrel with that action but for the fact that new items not included in the budget have yet to be considered. In a few days, for instance, the President will ask Congress for \$1,250,000,000, and possibly more, to arm western Europe. That was not provided for in the budget.

Unless this money to arm Europe is taken out of the European recovery fund or our own defense budget, new money must be found, and where? It isn't in sight unless new taxes are voted. And is this a time to vote new taxes? It certainly is not. Yet the dubious alternative will be deficit financing.

The Marshall plan, North Atlantic defense measure, and our domestic military program all come under the heading of security, and should be grouped together in the over-all budget. Instead of doing that, the President and Congress are using the piecemeal approach, dealing with one problem at a time.

Relative needs cannot be appraised and balanced against one another under this method, nor can a ceiling be maintained over the total budget. It is a sure way to build up a deficit.

We believe in the Marshall plan. We believed in the North Atlantic defense program. We want a sound national defense establishment. But this country should not go beyond its financial depth in supplying any of these needs. That is not economy, it isn't efficiency, and it is not buying real security.

## Is There a Housing Shortage?

### EXTENSION OF REMARKS

OF

### HON. JOHN F. KENNEDY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1949

Mr. KENNEDY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article entitled "Is There a Housing Shortage?" It is my firm belief that the statements contained in this article will be of definite interest to those who are concerned with the housing program:

The article follows:

#### IS THERE A HOUSING SHORTAGE?

The country is being flooded with propaganda against the housing bill, S. 1070, and its counterpart in the House of Representatives, H. R. 4009. It all comes from the same old sources, a mere handful of high-pressure organizations who have always consistently opposed all housing reforms or innovations suggested (even including those which they eventually came to support with enthusiasm, such as FHA), and who would certainly today oppose any effective solutions to the housing problem whatsoever. Why? For the simple reason that these are the interests who would profit, by and large, from a continuing shortage of decent homes.

And for the most part this flood of pamphlets uses the same old arguments except for one new note. Instead of merely promising, as always, that "private enterprise can do it," they're now making a much bolder claim: "Private enterprise has done it."

"The acute phase of the housing shortage is over," said Thomas Holden in one widely circulated leaflet.<sup>1</sup> And he is echoed by the

United States Savings and Loan League and the National Association of Real Estate Boards. The problem is solved, therefore no need for reform.

And a lot of statistics have been put together and printed in order to prove it. So, since many of us come from cities where neither the shortage nor the slum problem seem to be much improved, if at all, it may be worth taking a glance at some of the statistics in one of the primary source books of the antihousing lobby, prepared by Miles L. Colean for the Construction Industry Information Committee of the Producers' Council.

It starts right off with some fine big figures to show that we have provided more new dwellings since 1940 than we did during a comparable period in the booming 1920's. "In 1948 alone," writes Mr. Colean, "new construction and conversion operations established an all-time annual record in providing an estimated 1,200,000 additional non-farm units." A fine figure indeed, and remarkably close to the widely used estimates appearing in a long series of congressional reports, to the effect that we need a regular home-building rate of 1,250,000 to 1,500,000 dwellings a year to solve the shortage within the reasonable future and thereafter tackle the long-delayed replacement problem." The intended import of Mr. Colean's figure is clear. Surely anyone who would criticize such an industry, or try to reform it, must, as Mr. Holden suggests, have purely subversive intentions. Those dangerous subverters, Fortune, the Wall Street Journal, and Senator Taft, must all be wrong.

But let us look at this "record" a little more closely.

A more familiar figure for 1948 accomplishment in residential construction is the Bureau of Labor Statistics estimate, based on local records, of 926,000 dwelling units actually started. This was a pretty fair accomplishment in itself, but it was not a record (although it is higher than is anticipated for 1949 unless we get some legislation passed very quickly indeed).

Mr. Colean must also have been cognizant of the fact that the residential building rate has been falling off, because the first thing he did was to translate the official BLS figure from "starts" into "completions," which meant that the recent slight decline did not have to be taken into account. This device (of which I am not really very critical—anyone arranges figures somewhat, I suppose) brought his figure for new construction up to about a million units.

On top of that, however, he added an estimate of 200,000 dwellings provided by "conversion," that is by cutting up big old mansions into several flats or transforming non-residential structures into homes.

Now this might well strike one off-hand as a pretty large figure. It might seem that most of the readily convertible structures would have been tackled during the war or shortly thereafter. And the author gives no source of explanation.

And then, should you look further, a curious contradiction might come to your attention. The same author, Mr. Miles Colean, produced another pamphlet for the Producers' Council, just 6 months before this one, in August of 1948, called An Analysis of Future Housing Demand. In this earlier publication he was not trying to prove that the industry had established any records or solved the housing problem. At that time he was more interested to warn the building industry against "over expansion" (a curious viewpoint which I will not, however, take the time to discuss in any detail today). But in this study also he needed an estimate of the current rate of conversions.

The figure he used was, strange to say, just exactly one-quarter of the 200,000 figure he used in February of this year. His estimate of the number of dwellings to be provided by conversion in 1948 was, and I quote him,

"based on an annual rate of 50,000 conversions." And this time he gave a source, as follows: "According to the Office of the Housing Expediter, 64,500 conversion units were placed under construction and 45,300 completed during the calendar year 1946."

Now I know that figures are slippery, and our basic facts about the housing problem are so inadequate that they can often be interpreted in quite different ways with the utmost sincerity. But a 400-percent mark-up of an estimate within a 6-month period is nevertheless pretty steep. And a figure based on the final estimate, however it may have been arrived at, is hardly a very conclusive argument in support of the theory that the housing shortage has been solved, or in opposition to S. 1070 and H. R. 4009 which many of us are convinced is badly needed from our direct personal experience, whether we have had time to put together any figures or not.

This particular figure, on conversions, is of course not very important in itself. It is merely an example of why we should not be overly impressed with all this flood of fine figures and expensive printing. Other and perhaps more serious questions could be raised about Mr. Colean's figures but I will not take your time with them here. Suffice it to say that the loudly proclaimed "proof" that our slums have been disappearing since 1940 is at least as vulnerable as the evidence that the shortage has already been solved. And it may be doubted that the Census Bureau would claim that their recent surveys, based on very small samples, are scientifically adequate for any such complicated manipulation as they have recently been subjected by Mr. Colean and others.

As far as the shortage is concerned, there probably was a slight alleviation in 1948 considering the country as a whole, although there is little or no indication of improvement in most of our big growing cities and metropolitan areas. The recent testimony of mayors and other local officials from all over the country is pretty strong evidence on that point. Even according to Mr. Colean's own figures, there were at the end of 1948, 2,200,000 married couples living in other families' households or in transient quarters. And, judging from most of the larger cities' continuing stand in favor of rent control, despite the terrific pressures from the other side, there is little evidence that vacancy rates have even begun to decline in most of the more heavily populated areas.

But it is high time that the tide is turned. For this shortage is no little fly-by-night temporary emergency. It has been building up ever since 1929, for from that time until last year we regularly and steadily failed to build as many new dwellings as there were additional families, let alone allowing for replacement of the old outworn stock of slum homes. By 1939 most big cities were already feeling a severe shortage even though it was still partly hidden by unemployment, which always causes considerable so-called voluntary doubling up.

On the significance of the deep roots of our current problem I might quote James Felt, a most successful and respected member of the Real Estate Board of New York. In a recent statement on the Core of the Housing Dilemma (which he says reflects "the very valuable advice and suggestions of Gen. Otto Nelson, Mr. Alfred Rheininstein, and Mr. Beardsley Ruml") he writes:

"Foremost among the domestic problems confronting our country is the provision of adequate housing. While our housing shortage is generally blamed on World War II, it is actually due to basic defects and inadequacies which have plagued the housing and construction industry for many years. . . . The industry's many shortcomings . . . are all symptoms of one basic defect—extreme fluctuations in house production. This is the underlying cause of our housing predicament. Only a relatively stable out-

<sup>1</sup>Housing Dictatorship and Soft Socialism, Commerce and Industry Association of New York, March, 1949.



put will make possible an efficient industry. \* \* \* The production of most commodities is aimed to keep up with effective demand rather than basic needs. \* \* \* A man may have a car during a prosperous period and do without one in a slump. But a family needs a home and should have a home year in and year out. That is why the volume of house production must bear some relationship to basic need which can be measured and anticipated—not solely to effective demand, which is unpredictable.

It is in this light that the current housing statistics should be closely scrutinized. The "effective demand" for \$10,000 to \$20,000 houses is beginning to fall off, by every index. January and February "starts" were lower than last year, and Mr. Thomas Holden himself, in his Architectural Record for December 1948, predicted an over-all decline in residential construction for 1949. And this is happening while the shortage is just about as bad as ever and the worst old slums are coming back into use instead of being demolished.

The immediate social need for the housing program envisioned in S. 1070 and H. R. 4009 is obvious to everyone who has a heart to feel and eyes to see, whether he uses them to get cross-eyed over statistics or not. But it is almost as necessary to the welfare and steady prosperity of the country if it is considered wholly from the angle of over-all economic and fiscal policy. We'll do it anyway if and when a depression descends on us; we all know that. Why not do it now, when it will both help to solve the housing shortage and forge a powerful weapon against the very possibility of depression?

As Fortune said of the current bill's ill-fated predecessor, the Taft-Ellender-Wagner bill, S. 866 of the Eightieth Congress, it "supplements private enterprise at its weak points and strengthens it where it could be strong."

In the heat of their misguided emotions, the antihousing lobby has been falling, as a matter of fact, into much larger and more glaring inconsistencies than any little discrepancy in statistical usage. For long years they regularly attacked the Wagner-Ellender-Taft bill and the Taft-Ellender-Wagner bill as inflationary. And now they are still making the same charge against the present bills, S. 1070 and H. R. 4009. "Public housing is inflationary" says the Savings and Loan League and all the other opposition pamphlets sing the same tune.

But I need hardly point out that these same organizations and their close confederates have been singing quite a different tune, and most vociferously, in connection with other legislation recently considered in Congress. To hear them in that role, one would think that a major depression had already descended on us.

But there are others, and not only among the administration's supporters by any means, who have seriously studied the fiscal aspects of the housing problem and therefore do not need to veer from side to side, or try to play both ends against the middle. Let me quote from an editorial in the New York Herald Tribune for March 4, 1948, an editorial which is still more timely and urgent today than it was a year ago when it was written:

"Accepting the widespread need for housing for all income levels, we need a comprehensive program to meet this need. Houses now being built concentrate on serving the upper third income bracket. Little is being built for the great middle market, and virtually nothing at all for the lowest third who can be reached only by Government subsidies. Nothing could be more inflationary than the present housebuilding boom. Current building is skimming the cream from the housing market and, given the peculiar economics of the building business,

the only question is when that market will break.

"Certainly a balanced building program, with a substantial share of housing for middle and low income groups would be less inflationary and more likely to lead to the sustained high level of productivity over a long period which all experts agree is needed to overcome present housing deficiencies."

In sum, here is one issue which is truly bipartisan in the best sense, S. 1070 and H. R. 4009 which are pending in both the Senate and in the House of Representatives are supported equally by honest liberals and by honest conservatives, by everyone in short who has studied the problem and has his country's welfare at heart.

## GOP Trying To Talk Fair Deal to Death

### EXTENSION OF REMARKS

OF

### HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1949

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith an article by Doris Fleeon entitled "GOP Trying To Talk Fair Deal to Death," which appeared in the St. Louis Post-Dispatch of April 13, 1949:

GOP TRYING TO TALK FAIR DEAL TO DEATH—REPUBLICAN SENATORS FILIBUSTER ON EVERY ISSUE, BUT ARE NOT UNITED

(By Doris Fleeon)

WASHINGTON, April 13.—The real filibuster of the Eighty-first Congress is under way in the Senate.

Republicans opposed to the entire Truman program are conducting it. It consists of extending debate day after day by long speeches more or less relevant to the issue and continuing long past the hour when it is apparent that the Senate has made up its mind. The classic example is the 15-day ECA debate in which a dozen isolationists consumed three-quarters of the time and at the end registered only 7 noes as compared to 70 ayes.

The Democrats realize what is going on but they are powerless to stop it. They pretend to be brave about it and insist that, in the end, it will prove fatal politics for the Republicans.

Nevertheless, they are tense and annoyed. They realize that to pull a clear-cut creditable record out of the confusion will test their endurance, their nerve, and their brains.

The situation represents in a sense a war of nerves in which the victors will be proclaimed by the American people in the 1950 election. Meantime every piece of legislation becomes a major crisis, a wearing and time-consuming struggle. This is hard on all the Members of the greatest gentlemen's club in the world which prefers to do its work in a less militant atmosphere.

Some Republicans frankly dislike the trend and privately damn their minority leader, Senator WHERRY, whom they blame for this strategy. This group would also prefer to play down their southern allies of clojure-civil rights fame.

So far the elder statesmen of the party, Senators TAFT and VANDENBERG, are keeping their counsel. Faced in caucus with a real split in the party, they have acceded to the course of not making any issue so far as a party matter. The result is that many Re-

publican Senators, like some Democrats, are playing by ear and that Senator WHERRY himself has veered far right of TAFT-VANDENBERG stands. It has been suggested that the Republicans really have a Taft center, a VANDENBERG left, and a WHERRY right.

### TAFT THE WHIP-CRACKER

It is quite possible that TAFT, on domestic issues which greatly concern him and in which he personally has much at stake, will soon do a little whip-cracking. These include Taft-Hartley repeal, housing, and aid to education. Taft in the role of rescuer of the Senate from the verbal morass in which it is floundering would earn rather widespread gratitude.

The Democratic leadership's obvious plight led to a week-end flurry of reports that majority leader LUCAS was disgusted and ready to quit. These are false. Some of his colleagues have been sharp with LUCAS about time table and other blunders. But in the main they appreciate his hard task and are not inclined to ride him.

The worst feature of it all to elder Senators is the tendentious quality of the tedious debates, the poor attendance of Senators and the lack of a real exchange of views. They feel that too often the Senators apparently want only to get their harangues printed, their refusals to yield for questions indicating that they are not really interested in the opinions of others.

## The Truman Circus

### EXTENSION OF REMARKS

OF

### HON. KATHARINE ST. GEORGE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 14, 1949

Mrs. ST. GEORGE. Mr. Speaker, under unanimous consent, I include in the Appendix of the RECORD some short articles by William Robert Plumme. They follow:

### THE TRUMAN CIRCUS

#### I. PRESIDENT CALLS FOR FASCIST MACHINERY TO PROTECT AMERICAN WAY OF LIFE

(By William Robert Plumme)

President Truman's program as revealed in his message to Congress on the state of the Union and the national economy have been described as socialistic. Socialism, however, aside from its close connection with communism, is also a nice word for fascism.

It has not been in error that Communists have said fascism was the half-way mark toward communism. Advanced in the middle 1930's, as an excuse for their support of the New Deal, it was meant, no doubt, to placate those left-wing thinkers who recognized the New Deal for what it was and is, even while remaining under some myopic illusion regarding the true nature of communism. The dream often seems so much fairer than the reality. The New Deal, of course, was also accused of following the 1932 platform of the Socialist Party.

Neither should it be considered as accidental that Mussolini was an ex-Socialist, nor that Hitler's program for a State-controlled economy was called national socialism. Like our own New Deal, both were based upon a combination of syndicalism and a sort of watered-down socialism sometimes called Fabian socialism.

Under the first, the economy of the Nation is broken down by a series of general strikes, such as those which have occurred both in France and in Italy. In Italy such strikes preceded the advent of fascism. The same

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 14 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CAIN (for himself and Mr. BRICKER) to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz:

On page 7, beginning with line 18, strike out through line 9 on page 9 and insert in lieu thereof the following:

“(e) To provide funds for loans under this title, there is hereby authorized to be appropriated to the Administrator not to exceed \$25,000,000 for the fiscal year ending June 30, 1950, and additional sums not to exceed \$225,000,000



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## AMENDMENTS

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Intended to be proposed by Mr. CAIN (for himself and Mr. BRICKER) to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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APRIL 14 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

world. The first effects of an intelligent psychological campaign will be to break that isolation, which in turn will touch off a surge of hope and renewed courage.

We must find the means and the wisdom to carry to Stalin's victims the truth that we seek not enmity and war but friendship and peace; that we have no purpose beyond their liberation.

Mr. President, I have received, I suppose, hundreds of letters, of which 95 percent are favorable to my first suggestion of this project of a thought war last week. I desire to read a part of one of the letters. It is from Mr. J. Anthony Marcus, president of the Institute of Foreign Trade. He says:

DEAR SENATOR FLANDERS: I have read the newspaper report of your yesterday's address and am glad you have taken the time and trouble to remind our administration that it is not doing its whole duty.

During the past 3 years in all my lectures I have pointed out that, even if we bankrupt ourselves in aiding the European countries, we will not win the cold war unless we help liberate the Russian people. In order to accomplish this we have tens of millions of allies in the Soviet Union and hundreds of thousands of Russian DP's in Europe. They are all ready to sacrifice their lives to bring about the liquidation of the Soviet tyranny. Now, what are we doing to make use of this force? I doubt if there is anyone in a policy-position in the State Department who fully appreciates this fact.

A vigorous offensive must be undertaken to save time and billions to the American taxpayers. Having spent many years in the Federal Government, I feel that the job should be done by our citizens in cooperation with those of other lands contiguous to the Soviet Union. The moment the Government bureaucrats lay their hands upon something it is a mess. I would be glad to discuss this with you if you care.

I merely wish to say that I am not subscribing to the sentiment of next to the last sentence. The problem is infinitely difficult, infinitely perplexing, and I am sure the State Department is as much concerned and as much worried about the direction in which we are going as are the Congress and the people of the country. This effort should be rather a means of pouring suggestions and offers of assistance into the Department, rather than a placing of ourselves in opposition to the State Department.

In concluding I desire again to call the attention of the Senate to an address made on February 7 by the senior Senator from Connecticut [Mr. McMAHON], in which, among other things, he suggested that we were losing out in our psychological warfare by turning down every suggestion which came from the other side of the iron curtain looking toward peace conferences of anything of the sort, and he made, it seems to me, the very useful suggestion that we follow up these proposals, whether set for Stockholm or elsewhere, adding to it the proviso that the United Nations should have a free use of the air to broadcast the proceedings and the conclusions of such a conference to all the nations of the world, including the area behind the iron curtain. That would throw the ball right back into the hands of the proposers. We are not throwing the balls back at

this time. We are like the man at the county fair whose head through a hole in the curtain is the target for baseballs thrown by a group of interested people behind the fence. We are simply dodging them. Let us pick up those balls and throw them back.

Mr. President, I suggest that the Senator from Connecticut has advanced a very useful idea which I hope the Foreign Relations Committee will consider.

Mr. McMAHON. Mr. President, I listened with deep interest and with great appreciation to the remarks of the Senator from Vermont. It seems to me that most persons in the United States have not realized that there can be no permanent peace unless and until we pierce the iron curtain. For more than 30 years the Soviet government has poured forth its lies, its slanders, and its libels day after day, until it is a wonder that the prestige of the United States is as high as it is today.

There are those who believe that the signing of the Atlantic Pact, with its military implementation, and the ECA appropriation constitute, in and of themselves, all that is necessary to be done if we are to come out successfully in the struggle for peace. No thought of idea could be further from the truth. We are engaged in a contest for men's minds on a world-wide scale. Two ideologies are contesting for the possession of men's allegiances all over the earth. It seems to me that the recent speech of Mr. Winston Churchill, for whom I have a great regard, had one outstanding weakness, which was that he conjured up a situation in which we might be victorious if only we put together sufficient strength to maintain our existence long enough so that the Soviets may in time disintegrate. His allusion to what happened to Genghis Khan, 600 years ago seemed to me to be particularly—shall I say, antiquated? I am reminded of the fact that in his invasion of the West Genghis Khan's army advanced on ponies, but the next invasion of the West will not be made upon the backs of ponies.

No, Mr. President, as I see it, we must guarantee as best we can the territorial integrity of the West, and we must be about the business of getting behind the iron curtain, if we are to stop a process which threatens to endanger a free world.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. McMAHON. I yield.

Mr. FLANDERS. Has the Senator from Connecticut seen the interview with Ambassador Bedell Smith with regard to the health of Mr. Stalin?

Mr. McMAHON. I have not.

Mr. FLANDERS. As I remember, the hordes of Genghis Kahn went back to central Asia and engaged in a political campaign with regard to his successor. I surmise that Churchill's reference to that historic event may have had some relation to Mr. Stalin's health. Ambassador Smith says that, so far as he can judge, Mr. Stalin is in full health and vigor, and that the Georgians are notoriously long-lived. I think we had better write off that possibility.

Mr. McMAHON. It has long seemed to me that a reliance upon the fact that

Mr. Stalin might have trouble from within the Soviet Union is what I would call a Micawber-like policy—waiting for something to turn up and hoping desperately that it will turn up. Even if Mr. Stalin were to pass away, I doubt very much whether those who control the Politburo would find themselves at odds upon the basic premise upon which their religion of world conquest is built.

Mr. President, on October 29, 1948, in a speech in New York, I said:

Until truth penetrates into the vast regions of the earth controlled by the Soviets, Russia will never agree to a reasonable solution of the problems which vex mankind.

There will be no hope of reaching an agreement for the effective control of atomic energy, no hope for universal disarmament, no hope for settling the problems of Germany, Korea, or Austria. There will never be solved until the Russian people have the same access to the facts that our people enjoy. Only the Kremlin and its black-out on truth stand between the American people and the Russian people.

On that occasion I also pointed out that Soviet leaders use the United Nations as a forum to spread big lies about the United States while the iron curtain prevents us from reaching the Russian people, and I added:

The very existence of the iron curtain is proof that the No. 1 enemy of the Soviet system is truth itself.

Until truth pierces the iron curtain, there will be no safety for Europe or for the United States or for the world.

Mr. President, one of the finest things which the administration could do, in my opinion, would be to assemble the leading public relations men, the leading advertising men, and the leading radio and newspaper men in a grand convention in Washington, and endeavor to seek ways and means and devise plans for a new and fresh approach to this most vital of all problems, because, unless the problem is solved, there will be no peace.

I again congratulate the Senator from Vermont for his approach to the problem, and I wish to give him the assurance that I shall be glad, as one Senator, to work with him to see if we cannot bring this problem into proper perspective, so that all of us will realize that the policy we are pursuing of spending billions of dollars of our treasure can go on for only a certain length of time, and that if some change is not brought about in the thinking of the Russian people, we are bound to lose by exhaustion. I say it is time to do something about it before that event shall come to pass.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. FREAR. Mr. President, I desire to make a few remarks regarding title IV of Senate bill 1070.

All too often we think of America's housing problem exclusively in terms of



the slums and overcrowded housing of our big cities.

Many people tend to have too rosy a picture of our farm housing and to think of it as standing out in marked contrast to our city slums. Unfortunately, this is not true in the case of too much of our farm housing. Some of the worst overcrowding occurs in small farm houses containing large families. Some of the most dilapidated housing is to be found in rural communities.

It is indeed distressing that such a small proportion of all farm houses have the basic sanitary facilities which most city families have come to take for granted.

In April 1947, for example, when the Bureau of the Census made a very comprehensive study of the quality of the Nation's housing inventory, it found that 19 percent of farm dwellings were in need of major repairs, whereas only 7 percent of urban dwellings were in this condition.

It found that 67.3 percent of farm dwellings lacked running water, whereas only 4.5 percent of urban dwellings lacked this facility. It found that only 20 percent of farm dwellings had inside bathroom facilities, while about 85 percent of urban dwellings were so equipped.

It found that only 60 percent of farm dwellings had electric lights, whereas 98 percent of urban dwellings had electric lights.

It found that only 19 percent of all farm dwellings had all modern facilities, such as electric lights and inside bathrooms. In contrast, 83 percent of city houses were so equipped. Taken as a whole, farm houses are inferior in quality and equipment to those available to most nonfarm families.

In view of these facts, it is essential that the Congress give full attention to the urgent problem of improving the housing standards of farm families at the same time that it is considering the nonfarm housing problem, if our objective is to achieve a truly comprehensive housing program.

Increased farm incomes in the last several years have enabled a large number of farmers, particularly those who had been able to save enough cash or who were able to take advantage of conventional types of credit, to improve their homes and their service buildings. Nevertheless, there are still many farm families who lack the means of improving their living conditions even in the prosperous times we have enjoyed. In fact, the Department of Agriculture estimates that in the year 1947, in the midst of the period of greatest prosperity our country has ever known, the value of farm products for sale and home use produced by two and a quarter million farmers amounted to less than \$1,500 per farm. The average value of the farm products for this group obviously would be considerably below \$1,500.

Clearly, many of these low-income farm families need the helping hand of the Federal Government if they are to have decent housing conditions.

That is the purpose of the farm-housing provisions of the Housing Act of 1949.

Title IV of the bill is designed to make it possible for farm families to obtain the

necessary financial assistance for building new houses and related buildings, or for improving run-down farm properties.

The bill recognizes, however, that any program for improving the quality of farm housing must be conditioned by the fact that farm housing is not like city or suburban housing. The farm dwelling is an intrinsic part of the whole farm plant, and must be closely integrated in the operation of the farm. In many cases, a farm will support an adequate house only if its service buildings can be improved so as to increase the earning capacity of the farm. In the main, those farm homes which are without an adequate credit basis to obtain conventional credit to improve the farm dwelling, are equally lacking in adequate credit to improve the service buildings as well.

Section 401 of the bill authorizes the Secretary of Agriculture to extend financial assistance to farm owners to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms.

Mr. CAIN. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield to the Senator from Washington.

Mr. CAIN. Is it the Senator's intention to explain the farm portion of the bill rather fully, and then to justify the extension of loans and grants to be used or employed on submarginal land?

Mr. FREAR. I think the Senator will find that part of his question will be answered as I proceed with my remarks. If not, I shall certainly yield for a question, after I shall have concluded.

Mr. CAIN. I merely desire to suggest to the Senator that many of us have a deep interest in a justification particularly for the extending of grants on submarginal territory. I thought the Senator would be interested in our concern.

Mr. FREAR. I thank the Senator.

In order to be eligible for this assistance, the farmer must show that he is without sufficient resources to provide the necessary housing and buildings on his own, and that he is unable to secure the credit necessary for such housing and service buildings from other sources at terms and conditions which he could reasonably be expected to fulfill.

The bill also wisely recognizes that there are in our rural area many families who are attempting to eke out an existence on land which is too poor to be farmed profitably. In order not to encourage families to remain on submarginal land, the bill distinguishes between the assistance to be given the adequate or potentially adequate farms and those which should ultimately be abandoned.

Sections 402 and 403 specifically limit the authority of the Secretary of Agriculture to make loans for housing and buildings to farms which are either adequate to insure a reasonable standard of living for the occupants of the farm, or to farms which in the judgment of the Secretary of Agriculture can be improved or enlarged to the point where they can be self-sufficient.

In the latter case, the bill authorizes potential credits against annual debt

service on the loans for a period of not exceeding 10 years.

In those cases where it is the judgment of the Department of Agriculture that the farm is not now adequate and cannot be made to be adequate, the bill provides in section 404 for special loans and grants for making only those minor improvements to farm housing and service buildings that are necessary to remove hazards to the health and safety of the farm family and the community.

It is the purpose of this section to provide only interim aid pending a more satisfactory permanent solution of the farm family's problem and their re-establishment as a self-supporting economic group.

The bill goes beyond merely concerning itself with the plight of our most needy farm families.

In section 406 it provides for a program of research, technical studies, and the development and promotion of adequate farm dwellings and service buildings. The Secretary of Agriculture will be authorized to furnish to all interested persons technical services, such as building plans, specifications, instruction, supervision and inspection, and related aids to the construction of farm dwellings and service buildings. The basic purposes of these provisions are to make it possible for farm communities, as a whole, to have available the latest techniques in building construction, in order that they, along with urban dwellers, may obtain the maximum benefit of all cost economy resulting from new construction techniques and designs.

Passage of this bill will give the farmers a badly needed helping hand in improving their living and working conditions. After all, the farmhouse and the related-service buildings are the center of the farm operation. They serve for a home, workshop, office, canning factory, bakery, restaurant, hospital, social and recreation center, and, above all, Mr. President, a place where the ideas and ideals of more than a quarter of America's future citizens are being developed.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. SPARKMAN. I should like to say that the Senator from Delaware, although he was not a member of our subcommittee, participated in many of the hearings, took an active part in them, and in the full committee was particularly helpful in formulating the legislation. I want to commend him for the very fine presentation he has made with reference to this title, about which he knows a great deal, and about which many people have little concern.

I wish to ask the Senator a question. Does the Senator from Delaware feel that in order to have an adequate overall housing program certainly there should be a title dealing with farm housing which, as the Senator has so well pointed out, is badly needed throughout all sections of the country?

Mr. FREAR. I do. I agree with the Senator. I thank him very much for his commendation. I would say that a bill which did not include farm housing would be very inadequate.



Mr. SPARKMAN. Will the Senator yield for a further question?

Mr. FREAR. I yield.

Mr. SPARKMAN. Of course, the Senator is aware of the fact that this is the first real effort which has been made to incorporate farm housing in a general housing bill, is he not?

Mr. FREAR. That is true. And I want to commend the chairman and the members of the committee for that.

Mr. SPARKMAN. In the last Congress the Senate passed a farm-housing provision, the so-called Russell-Young amendment to the housing bill, but it was not adopted by the House. The present farm title follows, does it not, very closely the lines of the Russell-Young amendment to which the Senate agreed last year?

Mr. FREAR. That is correct.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. FREAR. I yield.

Mr. CAIN. Does the Senator know how many submarginal operations in terms of individual farms there may be within the country? If the information is not available I would encourage the Senator, through members of the committee staff, to try to provide the information for the debate which will follow tomorrow.

Mr. FREAR. I may say to the Senator from Washington that I think the farms which are presently submarginal are obviously more than can be provided for in this bill, if it shall be passed. But, as a round figure, perhaps a million farm families at the present time are living and engaged full time in operating farms which may be classified as submarginal. There are probably another million or so who are engaged part time on submarginal farms.

Mr. FLANDERS. Mr. President, I may say that I am glad to have the privilege of addressing the Senate at this time, because I was about to ask the permission of the Senate to be absent tomorrow. I shall now make the unanimous-consent request to be absent tomorrow.

The VICE PRESIDENT. Without objection, leave is granted.

Mr. FLANDERS. Mr. President, a few weeks ago, a woman visiting this country from India, was interested in studying the conditions of our low-income groups. A member of the staff of the Czechoslovak Embassy volunteered with understandable enthusiasm to show this

visitor the American way of life here in Washington. She was taken to the southwest part of our city. There, within five or six blocks of the Capitol, she was shown row upon row of houses without plumbing, lighting, or heat. She was shown blocks where outhouses were the only form of sanitation. She was shown alleys where the residents had to cook their meals outside. She was shown places where 13 people lived in a single room. After an hour or so, she was so aroused that she could not help but comment on the hypocrisy of America. "In India, we have conditions as bad as these but we do not boast of our way of life to the rest of the world."

I might interpolate in my manuscript the suggestion that Senators might do well to examine the alley conditions in the area which is to be taken over for the new Senate Office Building. I have not done so myself, but I understand the conditions there are very bad.

Before the Members of the Senate vote on this bill, I ask that they go just a few blocks down toward the river. I went there and was shocked and incensed that such conditions could exist in this country. I cannot convey to the Senate the absolute squalor of life for many thousands right here in the Nation's capitol. High disease rates combine with high crime rates to create a threatening and dangerous situation. Public health and police officials feel they can do little to fight the filth and crime of this section. There are too many people living in too small an area, in houses too old and neglected for salvation. These people have no place to go. They cannot within any stretch of the imagination afford new housing built by private enterprise. The rents they must pay now consume 30 and 40 percent of their incomes. Many of them are prevented from moving to other sections by restrictive covenants.

Fortunately, there is a bright side to this story. At one end of this section, there is a public housing project. The buildings in the project are low-cost brick structures of simplified design. They are spaced apart to allow plenty of light and air. Lawns give ample areas for play. Although the units house families from some of the worst slum sections, they are immaculate. A District health officer who was with me reported that the transfer of these peo-

ple into clean quarters brought an almost unbelievable drop in the crime and disease rates. What was equally important, it brought a new-found pride in being a human and a citizen. Many of these people who had previously been shiftless and unsettled when living in the sordid atmosphere of the slums gained a new sense of responsibility and ambition.

I cannot overemphasize the power that a public housing and slum clearance project can have in transforming a submarginal population into a responsible and useful segment of society. What was done with a small group in Washington can be done on a larger scale both here in Washington and all over the country.

Now, I should like to mention one important feature in the bill which was in the original Republican housing bill, one of the parents of S. 1070. That is the so-called escalator clause. It was inserted to provide a stabilization feature and to prevent possible competition by public housing for materials and labor that private enterprise needed. It directs that the annual rate of construction should be increased to 250,000 or decreased to 50,000 from the annual rate of 135,000, depending upon conditions in the building industry. This provision would cut back the public-housing program when private enterprise was building at peak capacity and would accelerate the public program when private building activity slackened.

In conclusion, I should like to point out that the cost of this program in money is comparatively small. The maximum annual amount is equal to our military expenditures every 7 days of peace. I feel that decent housing has far greater value in our war against totalitarianism.

The cost is small but the saving in human life is incalculable. I ask for the passage of this bill as a basic step toward the rehabilitation of a distressed portion of our people.

#### RECESS

Mr. McMAHON. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 1 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 19, 1949, at 12 o'clock meridian.



# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CAIN (for himself and Mr. BRICKER) to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz:

- 1      On page 46, strike out lines 6 to 8, inclusive.
- 2      On page 46, line 9, strike out “(e)” and insert “(d)”.
- 3      On page 46, line 22, strike out “(f)” and insert “(e)”.
- 4      On page 46, line 25, strike out “(g)” and insert “(f)”.
- 5      On page 47, line 6, strike out “(h)” and insert “(g)”.



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- 1 (d) No land for any project to be assisted under this
- 2 title shall be acquired by the local public agency except
- 3 after public hearing following notice of the date, time, place,
- 4 and purpose of such hearing published not less than ten nor
- 5 more than twenty days prior to the date of such hearing.

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## AMENDMENT

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(b) Reduction in funds for the national forests will limit recreational facilities, will prevent the setting up of adequate sanitary facilities and camp grounds.

(c) The reforestation effort will be considerably hurt. This reforestation is needed not only for flood prevention work, but for protection of timber needed for our future lumber supply. Unfortunately, the proposed cut in planting funds will mean plowing under hundreds of thousands of seedlings which have been growing in nursery beds preparatory to field planting.

(d) The proposed cut of one-quarter million dollars in forest and ranch research work is an unfortunate step backwards in a much needed field.

(e) The reduction in funds available for forest development (access) roads amounting to around one-half million dollars will mean that national forest timber which should be harvested soon will not be placed on the market. It is important to remember that returns to our own Treasury from stumpage will eventually pay for these access roads, thus making our investment a self-liquidating one.

(f) The House's reduction of \$300,000 in flood control surveys will obviously seriously hamper that vital work.

I will not presume to state down to a dollar and penny amount exactly how much funds you gentlemen should vote. You are most familiar with the financial situation facing our Nation. You in turn are familiar with the vital forestry needs of the Nation. I am sure therefore that you will give your careful attention to this appeal for an increase over the funds voted by the House of Representatives.

#### FOREST PRODUCTS LABORATORY

I should like now to turn to the subject of the forest products laboratory and the forest utilization service. As in the entire instance of forestry management, the laboratory represents a subject dear to the heart of the people of my State. It is not, however, only as a Wisconsin Senator that I speak today, but as a United States Senator interested in the development of the wood and related industries throughout the Nation. Only the other day, I spoke on the Senate floor on the need for a cooperative research program to be spearheaded by the forest products laboratory in order to treat industrial wastes which are causing stream pollution.

What I am asking for is that this committee restore to the laboratory and to the Forest Utilization Service the appropriation of \$1,500,000 which was the level before cuts in the past 2 years were made.

Two years ago the combined appropriation for the Forest Products Laboratory at Madison and for the Forest Utilization Service, which consists of small technical outposts of the laboratory located in several of the forested regions of the country, was reduced from \$1,500,000 to \$1,250,000. Last year a further reduction brought the total to \$1,125,000. This reduced the laboratory's allotment to something over \$900,000. The \$1,172,000 appropriation in the House bill fails to provide in full for Pay Act increases, which in effect means another reduction. These reductions are seriously impairing the effectiveness of the laboratory's work, limiting its scope of activity and reducing those outposts in other parts of the country almost to a point of ineffectiveness.

#### UTILIZING MANY TYPES OF WOODS

To me, this seems ill-advised at a time when we must stretch our forest resources to the limit. We are all aware of the serious shortages that the country has found during the past few years in the form of timber and lumber products and of pulp and paper. Years ago there was plenty of the best woods, woods we knew how to handle, but the time has come when we must use more

and more of the several hundred species of trees that make up our forests and farm woodlands: The laboratory has already demonstrated what it can do in this regard by pointing the way to the use of many species of wood for pulp and paper as opposed to the two or three preferred species we first used. More needs to be done, particularly aimed at a wider use of our hardwoods for pulp and of waste wood for roofing felt, building boards, etc.

In brief we need a more complete use of forest material that only research can bring about. What this amounts to, and it is of great economic significance, is that we need to make an acre of forest material produce more goods and provide more jobs, thereby lessening the drain on the more preferred species and qualities. By way of example, there was a time when we did not think much of aspen and jack pine in Wisconsin. That was when we had white pine, Norway pine, maple, and other preferred woods left in considerable quantity. But with our white pine most gone, we are finding wider uses for our aspen both for lumber products and for pulp as a result of the Forest Products Laboratory demonstrating how this wood can be used to advantage.

In addition to a more complete use we need to reduce avoidable waste, to produce chemicals from unavoidable manufacturing waste, and to make lumber and timber products of all kinds last longer. In this field, too, the laboratory has demonstrated what it can do. Railroad ties and telephone poles which used to last 8 or 10 years now last 25 or 30 because they are preservatively treated with chemicals by methods developed through research. The laboratory has led the country in developing methods and equipment for the proper drying of lumber with annual savings of millions of dollars. The present pace in the country, however, demands that kiln drying be further speeded up without undue losses from checking, splitting, etc. I am confident that the Forest Products Laboratory can meet this demand.

#### NEW LINES OF WORK ARE NECESSARY

The illustrations I have used represent only a small segment of the varied activities which the laboratory is charged to encompass within its field of responsibility. I understand that its present program of research includes some 70 or 75 broad lines of work each of which breaks down into smaller jobs. These drastic reductions in appropriations not only have reduced the intensity with which these phases of wood utilization can be attacked but have prevented the undertaking of new pressing lines of work. For example, I understand that the increased import of foreign woods has brought many technical questions to the laboratory from the manufacturing industry and from the consumers of goods made of foreign woods which it cannot answer. While the laboratory has had authorization for a good many years to test foreign woods, it never has received an appropriation for this purpose. Certainly the only Federal institution of its kind in the country should be enabled to study and test the principal imported woods for the help and protection of manufacturer and consumer. I would say that a sum of \$50,000 for such work alone would be amply justified.

By way of background, let me say that when the establishment of such a laboratory was contemplated, my State offered the best inducement for its location there. At the time, this consisted of free rent, light, heat. Today, with the laboratory in its own building, erected on land donated by the State of Wisconsin, the State, through the university, still contributes toward its maintenance to the extent of \$17,000 per year. I mention this because many uninformed people have confused ideas of the relation-

ship of the laboratory to the State and the State university.

May I thank you for your kind attention to this statement. Following it, may I ask your consent to have several important messages to me from Mr. John C. Chapple, Mr. Robert Leahy, and Mr. O. T. Swan, of Wisconsin, printed in the record of hearings.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. MAYBANK. Mr. President, I should like to make an inquiry of the acting majority leader. I should like to ask him what his plan is for today, and how long he thinks the Senate will be in session. Members of the committee are very hopeful that we can expedite consideration of the housing bill.

Mr. McMAHON. Mr. President, I will say in answer to the Senator from South Carolina that his wishes would weigh very heavily with me. I think we should try to remain in session until approximately 6 o'clock, and see how far we can get with the bill. If we cannot finish it today, we should aim to finish it tomorrow.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD several telegrams and letters relating to the pending housing bill.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

APRIL 14, 1949.

Col. PAUL V. BETTERS,

*United States Conference of Mayors:*

City administration of St. Louis urges early and favorable action on Senate bill 1070. Our public housing program originally envisioned 12,000 dwelling units, but only 1,100 have been built. Site has been acquired, ground cleared, and legal obstacles removed for another project to house 550 low-income families; only barrier is lack of Federal funds. Over-all housing situation here still critical. Slum clearance is also mandatory. More than one-third our dwelling units constructed before 1900. City plan commission estimates that our slum and blighted districts cost city \$4,000,000 a year. This figure represents difference in cost of various municipal services and tax yield from such district. From both humanitarian and economic viewpoint slums are bad business. Respectfully refer you to my testimony before Joint Congressional Committee on Housing, October 24, 1947. What I said then is just as true today.

ALOYS P. KAUFMANN,  
Mayor of St. Louis.

CITY OF ST. PAUL, MINN.,  
EXECUTIVE DEPARTMENT,

April 16, 1949.

Col. PAUL V. BETTERS,

*Executive Director, United States  
Conference of Mayors,  
Washington, D. C.*

DEAR COLONEL BETTERS: The housing condition in St. Paul is still acute. I cannot see that there is any improvement, and there are indications that it is getting worse.

The high cost of constructions and the lack of proper financing facilities and arrangements have made it practically impossible



for a family in the low-income bracket to build or purchase a new home.

There is no rental property available to the low-income group, and families with children have a difficult time in renting any home at any price.

We have hundreds of people living in converted stores and office buildings, and many living in our cheap loop hotels under conditions that are far from desirable. These people are compelled to pay fantastic rentals—as much as \$210 a month for a family of seven, including five children, for two little rooms without private toilet facilities.

Our welfare board, on a check of 23 welfare families, is paying an average of \$137.50 per month per family for rent alone, to keep them in these cheap hotels.

The quonset huts, which were to provide temporary housing for the returned veteran, are more in demand than ever, and we have a long list of emergency applications from veterans who have no better housing facilities for themselves and families.

We are looking forward to the passage of Federal legislation which will ease the situation by making possible low-rent public housing.

The slum areas are a disgrace to the city, and in many cases are a health and social menace. We had over 4,000 units before the war that were unfit for human habitation. These units have been increased in number, bringing practically no revenue by way of taxation, and costing our city a substantial amount of money to maintain. We can see no way of correcting this situation, other than through the enactment of a slum-clearance program by our Congress.

I do hope that the Eighty-first Congress will give us some help on the matters mentioned herein, and would appreciate being advised by you as to the progress of the housing legislation now pending.

Very truly yours,

EDWARD K. DELANEY,  
Mayor.

DALLAS, TEX., April 16, 1949.

PAUL V. BETTERS,

Executive Vice President,

United States Conference of Mayors.

Regarding general housing bill, Senate bill 1070, in December 1944 Dallas filed an interim application for 2,800 additional low rent public housing dwelling units which represent a small portion of present need. Conservative minimum estimate of substandard dwellings now 40,000. It is further estimated that a minimum of 10,000 additional families live under overcrowded conditions, doubling up in single-family dwellings. Greatest housing need in Dallas is for rental units under \$50 for families of low income and modest income. Reduction of excessive expenditures for municipal services to slum areas and reduction of basic causes of disease, crime, fires, and juvenile delinquency can be effected by participation in proposed program offered in Senate bill 1070.

RODERIC B. THOMAS,  
City Manager, City of Dallas, Tex.

CITY OF LOUISVILLE, KY.,  
April 12, 1949.

MR. PAUL V. BETTERS,

Executive Director,

United States Conference of Mayors,  
Washington, D. C.

DEAR MR. BETTERS: The housing situation in Louisville is still very acute for low-income families whose budgets will not permit the payment of rent between \$30 and \$50 per month without utilities. We have approximately 5,000 applications from veterans for 567 units of temporary veterans' housing. All of these apartments are presently filled. We have 3,004 units of public housing, all of which are filled, and our lists show a backlog of approximately 2,500 applications for

public housing. Of these two lists in excess of 500 families have been evicted and are presently living with relatives or friends under dangerously overcrowded conditions, or have received eviction notices and are unable to find a place to move into within their means when the eviction becomes a reality.

Families who are doubled up because they cannot afford to pay rent for such housing as is presently available are conservatively estimated at several thousand. The larger part of these families are ineligible for public housing but are looking for a home to buy or rent as soon as private enterprise can supply it within their means. No actual survey has been made but one is contemplated. But based on the applications for veterans' temporary housing and public housing in which we have actual information as to their incomes, we estimate conservatively that Louisville needs approximately 1,500 units of public housing for whites and Negroes, and several thousand units of housing to be provided by private enterprise for rent at \$40 to \$75 per month with utilities, and for sale with a small or no down payment at prices from \$5,000 to \$7,000.

Just prior to the building of our first public housing project in Louisville in 1935 our planning and zoning commission made a survey of 12 city blocks in a slum area, which were subsequently cleared, and found that police, health, fire, and other city services in that area cost the city \$65,000, whereas it collected approximately \$14,000 in taxes.

Very truly yours,

CHARLES P. FARNSLEY,  
Mayor of Louisville.

MR. DOUGLAS. Mr. President, while I am strongly in favor of this housing bill as a whole, I want to speak primarily about title I, which deals with slum clearance and community redevelopment. Since I know that the time of the Senate is very valuable, I shall try to be brief and to conclude my discussion in 20 minutes. I should be grateful, therefore, if my colleagues would be willing to withhold their questioning until I have finished and then I will be glad to try to answer any questions which they may have.

The purpose of title I is to get rid of as many slum areas as possible. We all know what slums are and that they exist in virtually every city of reasonable size, and that they are particularly bad in the big cities of half a million or more. Since we can see these conditions better with our eyes than understand them with our ears, I have had a series of photographs taken in different cities of the country and then had them enlarged. I am showing these from the stand at my left. I shall begin here in Washington and show two photographs, the first of Schotts Alley, which is only 100 feet from our Senate Office Building and which is one of the worst slums I have seen. The second is a few blocks northwest from here but with the dome of the Capitol clearly evident.

Incidentally, may I say that the Senator from Vermont [Mr. FLANDERS] and I would be very glad, indeed, to have such Senators as wish to accompany us, join us at approximately 1 o'clock for a half-hour tour of the Washington slums, so that we may actually see what we are trying to legislate upon.

#### SOME SLUM AREAS OF THE COUNTRY

Since confession is good for the soul, I should like to show some photographs of my own city of Chicago, which, I am

sorry to say, has some of the worst slums in the country. These pictures were all taken just last month. The first is a typical South Side back-of-the-yards residential section occupied by white families, mainly stockyard employees.

The second is a South Side Negro slum dwelling under slum clearance by the Chicago Housing Authority. This is a community bathroom which is shared by three families. Despite the dilapidation of walls and floor, note that the bathroom fixtures are immaculately clean.

The next two pictures were taken on the near North Side of Chicago. It is easy to see the danger of fires in crowded run-down slum areas such as this.

The last Chicago picture was taken on the West Side. Four families are now living in the shack seen in the foreground.

We have from 12 to 20 square miles of so-called blighted areas of which perhaps 6 to 8 square miles are badly blighted territory. We are trying hard to clean this up and both the city and State governments have appropriated many millions of dollars to help clear the slums, but the job is too big for us, as for other cities, to handle alone. Then I should like to show additional photographs from Baltimore, New Orleans, Detroit, Kansas City, Dallas and Los Angeles, and to indicate that this is also a problem in many smaller cities, I am also showing photographs from such cities as Savannah, Ga., Meridian, Miss., Texas City, Tex., Oklahoma City, and one with particularly human poignancy of a small child in a slum in Gadsden, Ala. I could have collected many more photographs from Boston, New York, Philadelphia, Cincinnati, San Francisco, and countless other cities, but because of the expense and because I did not want to overstress the point, if that is possible, I am stopping here and letting your own knowledge and imagination fill out the gaps.

While it is somewhat hard to get a total picture of the extent of slums in the country as a whole, it is very safe to say that there are many millions of people living in them. The 1940 census, for example, reported that there were 5,735,000 city dwelling units or 28.6 percent of the city units studied which either needed major repairs or lacked either a private bath or private sanitary facilities—Sixteenth Census, 1940, Housing, first series, page 4; of these totals 11.4 percent needed major repairs while the others lacked vital sanitary facilities.

While we cannot say that all of these are necessarily slum dwellings, a large proportion are. In any event, we have a major problem on our hands. The slums are growing like cancers, generally ringing the central business districts and more or less rapidly spreading outward with their truly horrible blight. Somewhere between ten and fifteen millions of people are living in these slums with the true number probably closer to the upper than to the lower figure.

The evil is not merely an aesthetic one. The slums are a moral cancer, a health hazard, and an economic loss.



I could give pages of statistics upon these points, but in the interest of brevity, I shall merely cite a few, and shall put others in an appendix to my remarks. Nearly all of us have children, and we know how we would hate to have them grow up in any such environment. Children in the slums get into trouble and become delinquent far more frequently than do those who live in decent residential areas. This is true no matter which racial group occupies these areas.

In Chicago we have had in the slums successive waves of different racial groups; but as one group becomes more prosperous and moves out, and another group moves in, the delinquency ratio still remains high, at many times the ratio in the outer residential area. This is proof that it is primarily the slum and not the quality of a given race which produces delinquency. Similarly, slum kids get sick more frequently than do others and are far more subject to street accidents. They lose most of the proper joys of childhood.

Similarly, adults in the slums have a much higher crime rate than do those who live elsewhere; they suffer from tuberculosis, typhoid, and other diseases more than others; and there are far more fires among them. I shall give just a few figures. Thus, in Cleveland, a slum area with 2.47 percent of the city's population had three times the average juvenile delinquency rate for the city, over four times the illegitimate birth rate for the city, and over eight times the murder rate.

The solicitor general of Fulton County, Ga., stated before the Joint Congressional Committee on Housing about a year ago that—

In Atlanta, we have 137,000 people living in filthy, dirty slums, cesspools, and human junkyards, breeding places for juvenile delinquency and disease, immorality and crime. Twenty percent of the city's area contains 39 percent of the population and 59 percent of the crimes committed in Atlanta come from that section. In the same area occurs 72 percent of the city's juvenile delinquency, 69 percent of Atlanta's tuberculosis.

The county health officer for Jefferson County, Ala., had this to say about conditions in Birmingham from 1938 to 1942:

From all causes the death rate was 72 percent higher in the area of lowest rental as compared with the area of highest rental. The tuberculosis rate was 507 percent higher. The infant mortality rate, or death of infant children, was 117 percent higher. Still births, or infants born dead, 136 percent higher and deaths of mothers from causes related to childbirth, 128 percent higher. Furthermore, the adult crime rate was 122 percent higher in the lowest rental area as compared with the highest and there was an excess of 416 percent in juvenile delinquency. The illegitimacy rate was 383 percent higher in the low-rent area as compared with the high.

Because of all these factors, the cities have to spend far more in services to these areas than they get back in taxes. Thus, in Cleveland, the slum area referred to costs two and one-half times its proportional share in police protection, three times its share of health expenditures, about five times its share in social services, and nearly six times its share

in fire protection. In Atlanta, according to the local housing authority, while the slum areas contributed only 5½ percent of the city's real-property-tax revenues, they cost the city 53 percent of its expenditures for fire, health, police, and other service costs—not of all the city's costs, but of only those costs.

A summary estimate was made by the urban redevelopment committee of the American Bar Association which has been quoted by the Family Life Bureau of the National Catholic Welfare Conference:

Based on composite figures representing many leading American cities, it may be stated that such blighted areas yield only 6 percent of the average city's total tax revenue while absorbing 45 percent of its service costs.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point some figures on the economic costs and the bad social effects of poor housing such as exist in slum and blighted areas.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

#### BAD HOUSING COSTS MORE

The cost of slums to the taxpayer has been measured in dollars and cents.

In Boston, where the city planning board made a study in 1935, it was discovered that the per capita deficit to the city from a slum area was \$48.24; from all other residential areas the average deficit was \$10.81.

In Indianapolis, Ind., the average per capita cost of city services to a slum area was \$61.85 compared to \$38.56 per capita for the city as a whole.

In Cleveland it was found that the per capita cost of operating a slum area was \$61.22. The deficit here was \$51.10 per capita. (Source: Introduction to Housing by Edith Elmer Wood, Government Printing Office, Washington, D. C.; National Housing Agency Chart VIII E-1, "Municipal Expenditures in Slum Areas, Cleveland and Indianapolis;" National Housing Agency Chart VIII D, "City Revenues and Expenditures for Various Types of Housing Areas" (based on city-wide survey, Boston, 1935).)

In Birmingham, Ala., municipal expenditures in 22 blighted areas were three times the income. In four good areas the expenditures were five-sixths of income.

In Atlanta, Ga., slum areas contributed 5½ percent of the city's real property tax revenues, but cost 53 percent of the city's police, fire, health, and other service costs.

In Philadelphia, Pa., the per capita cost of crime in a typical slum area was \$14.56, compared with \$5.36 on a city-wide basis. (Source: National Housing Agency Chart VIII E-2, "Municipal Expenditures in Slum Areas.")

(A municipal income-and-expense study in Buffalo, based on a report of the department of audit and control for 1933, showed the following comparison of average annual cost per family between the city-as-a-whole and slum areas:

	City as a whole	Slum area
Police protection.....	\$19.19	\$27.16
Fire protection.....	15.40	35.79
Juvenile delinquency.....	.25	.60
Public health services.....	15.52	52.56
Public welfare services.....	89.50	224.01

Source: 10 Years of Progress, 1934-44. Buffalo (New York) Municipal Housing Authority.

The net cost of Newark's slums each year is over \$14,000,000.

The normal municipal cost of maintaining a dwelling of minimum safety and comfort in a fairly good neighborhood is approximately \$150. The municipal cost of maintaining a slum dwelling is \$380. The difference of \$230 would be the municipal cost per dwelling attributable to the slum conditions, or the excess cost of a slum dwelling. (Source: The Cost of Slums in Newark, a study by Dr. Jay Rumney and Sara Shuman. Published by the Newark (N. J.) Housing Authority, 1946.)

Part of the high cost of slum and blighted areas is the high tax delinquency. In St. Louis, delinquency in slum areas ranged from 25 to 40 percent as against 2 to 5 percent in newer residential districts. In Cincinnati, Milwaukee, Detroit, and Peoria tax delinquency and blight were closely related.

Cleveland, Cambridge, Mass., and New York City show the same pattern. (Source: (Tax) "Delinquency in Slum Areas," American Housing, Problems and Prospects. Twentieth Century Fund, 1944.)

Thirteen primarily residential areas in Manhattan contained almost one-half of all the properties in Manhattan which had been tax delinquent for more than 3 years, although the areas themselves constituted less than one-fifth of Manhattan's area and contained only about one-third of the number of its (land) parcels.

In dollars and cents, tax delinquencies in the 13 areas, measured on a percentage basis, were 2½ times as serious as in the remainder of Manhattan.

Tax-dollar delinquency in the 13 blighted areas was approximately double that of non-blighted residential areas.

The taxes which these 13 blighted areas should bear but fail to pay are borne by healthy real estate elsewhere. (Source: Ailing City Areas. Economic Study of Thirteen Depressed Districts in Manhattan. Citizens' Housing Council of New York, May 1941.)

#### OTHER MUNICIPAL EXPENDITURES IN SLUM AREAS

Cleveland, Ohio: Slum area comprising 0.73 percent of the land area of the city and containing 2.47 percent of the city's population.

Percent required of the city's expenditures for—

Police protection.....	6.47
Health.....	7.3
Social services.....	12.29
Fire protection.....	14.44

(Source: R. B. Navin Analysis of a Slum Area (1934).)

Indianapolis, Ind.: Slum area containing 10.4 percent of the city's population.

Percent required of the city's expenditures for—

Fire costs.....	16.7
Social services.....	26.0
Misdemeanants.....	25.0
Felons.....	36.0

(Source: E. E. Wood "Introduction to Housing" Slum and Blighted Areas in the United States (based on 1933 study).)

Although slum and blighted districts comprise about 20 percent of the metropolitan residential areas they account for 33 percent of the population, 45 percent of the major crimes, 55 percent of the juvenile delinquency, 50 percent of the arrests, 60 percent of the tuberculosis victims, 50 percent of the disease, 35 percent of the fires, 45 percent of the city service costs, 6 percent of the tax revenues (real estate). Percentages are adjusted averages for various cities throughout the country. (Source: Post-War Urban Redevelopment, published by the Federal Works Agency, Public Buildings Administration, 1939.)



## SOCIAL EFFECTS OF BAD HOUSING

Areas of bad housing and high rates of disease, delinquency and crime coincide.

Tuberculosis is shown to be most prevalent in overcrowded homes. Highest rates of digestive diseases are found in homes without private inside flush toilet. Home accidents are most numerous in homes renting for less than \$10 monthly. Common communicable diseases of childhood are most frequent in homes with more than 1.5 persons per room. (Source: NHA chart VIII H., Relationship of Housing Conditions to Health, based on National Health Survey, 1935-36, U. S. Public Health Service; New Light on Relationship of Housing to Health, by Rollo H. Britten; American Journal of Public Health, February 1942.)

Infant mortality rate is higher in overcrowded homes. Figures from eight cities show that the infant mortality rate in families averaging less than one person per room was 52 per 1,000 live births. Where the room density was between 1 and 2, the rate was 94.9, and for 2 persons per room and over, it was 135.7. With adjustment for income and race, it was found that the infant mortality rate in congested homes was still about twice as high as in homes where there was enough space. (Source: Casual Factors in Infant Mortality, 1925. Quoted in Slums and Blighted Areas in the United States, by Edith Elmer Wood. Government Printing Office, Washington, D. C.)

Another major contributing factor to juvenile delinquency is the shortage of good low-cost and low-rent housing. It compels families to crowd up and to occupy inadequate houses because no better accommodations are available to them. It forces the occupancy of housing units which have deteriorated beyond repair and should long since have been replaced.

"The cumulative housing shortage has been accompanied by an alarming increase in the break-up of family life and the increase of juvenile delinquency."

"The most influential character-guiding force in the life of the child is his relationship with his parents. That relationship is conditioned by the physical and environmental surroundings of home and neighborhood. A family lost in the slums and blighted area of a metropolitan center or the inadequate housing and community facilities of a depressed rural section finds itself victimized by antisocial forces beyond its control."

The correlation between unsatisfactory and inadequate housing and juvenile delinquency is clearly established.

Good housing affords an environment within the home where each member of the family can enjoy privacy and where the surroundings facilitate growth. (Source: Report on Housing, Community Development and Juvenile Delinquency. National Conference for the Prevention and Control of Juvenile Delinquency, November 1946. Department of Justice, Washington, D. C.)

School truants, juvenile delinquents, and adult offenders tend to be concentrated in slum areas. From 1900, Chicago areas studied showed several changes in racial make-up of the population, but rates of delinquency continued high throughout. Thus one-fourth of all juvenile delinquents came from 10.9 percent of the juvenile population crowded into 6 percent of the city area. Concentration of people in the slum neighborhoods is more than twice the average for the city, and the concentration of truancy among inhabitants is two and a half times the city average. (Source: Slums and Blighted Areas in the United States, by Edith Elmer Wood, quoting Delinquency Areas, a study of the geographic distribution of school truants, juvenile delinquents, and adult offenders in Chicago, by Dr. Clifford B. Shaw, 1929.)

Chicago study results are paralleled in studies of other cities, where the relationship between concentration of population on the land and high delinquency rates among the concentrated population have been shown as follows:

City	Percent of city delinquency	Percent of juvenile population	Percent of city area
Chicago.....	25.0	10.9	6.0
Philadelphia.....	46.0	25.1	9.4
Cleveland.....	47.4	26.3	17.3
Birmingham.....	25.0	12.2	12.1
Richmond.....	50.0	31.0	18.8
Denver.....	25.0	11.0	5.7
Seattle.....	25.0	11.2	6.3

Source: Slums and Blighted Areas in the United States, by Edith Elmer Wood, quoting from vol. II, "Causes and Cure of Crime," Wickersham Report, 1931.

In Detroit, Mich., a housing commission survey showed that the pneumonia death rate in a slum area was 3 times the rate in a normal residential area; crimes were 5 times as numerous; infant mortality 6 times as great; the tuberculosis death rate 10½ times as great; and criminals were 15 times more numerous than in normal residential areas.

In Cleveland, Ohio, a slum area containing 2.47 of the city's population, had, of the city's total, 4 percent of the larcenies, 5.7 percent of the robberies, 7.8 percent of the juvenile delinquencies, 10.4 percent of the illegitimate births, and 21.3 percent of the murders. (Source: NHA chart VIII G, Social Aspects of Slum Areas. Quoted from Report of City of Detroit Housing Commission; R. B. Navin's Analysis of a Slum Area in Cleveland; and Iowa State Planning Board.)

A comparison of housing maps with the delinquency-rate maps shows that inadequate housing exists much more frequently in the areas of high delinquency. The heavily shaded areas of the delinquency maps correspond closely to the heavily shaded areas of the housing maps. Conversely, those which have the fewest delinquents also have the fewest substandard dwellings.

"In the five tracts of highest delinquency, 65.6 percent of the occupied dwelling units needed major repairs or had no private bath, as compared with 3.9 percent of occupied dwelling units in the five tracts of lowest delinquency. Likewise, the five tracts of highest delinquency had overcrowding in 28.5 percent of their dwelling units, in contrast with 3.3 percent in the five tracts of lowest delinquency." (Source: The Houston Delinquent in His Community Setting. Research Bureau, Council of Social Agencies, Houston, Tex., June 1945.)

Poor housing blights youth, figures show blight raises prison costs. Blight zooms prison costs; records in city cited. (Source: Headlines on articles by Richard S. Davis, in Milwaukee (Wis.) Journal, April 26, May 12, and June 2, 1946, based on city records of crime and juvenile delinquency, showing that one blighted ward cost taxpayers nearly \$150,000 in 1945 for prison inmates.)

Slum areas in the District of Columbia show Army rejection rates for personality disorders 1½ times as great as in areas with good housing, according to a sample study of records of 5,800 men examined at Fort Myer, Va., during a 2-year period ending May 1944. (Source: E. E. Hadley, Military Psychiatry an Ecological Note. Psychiatry, November 1944.)

A slum area of less than 3 square miles (the fifth police district) with about 300,000 inhabitants crowded into it, in 1945 produced more than 21 percent of Chicago's murders, 12.3 percent of all robberies, and 24.9 percent of all rape offenses. Furthermore, the years 1944 and 1943 showed substantially the same statistics.

A principal factor in the high crime rate in the fifth police district is the inadequate

housing situation that prevails there. From the observation of Chicago Crime Commission investigators and through interviews with numerous representative citizens the conclusion is inescapable that undesirable living conditions in this area contribute materially to a high incidence of criminality. (Source: Crime Conditions in Fifth Police District, by Virgil W. Peterson, operating director, Chicago Crime Commission, published in Criminal Justice, May 1946.)

## SOCIAL ASPECTS OF SLUM AREAS IN THREE CITIES

Detroit, Mich.: Comparing slum area with normal residential area.

Pneumonia death rate, 3 times greater in slum area.

Crimes, 5 times greater in slum area.

Infant mortality, 6 times greater in slum area.

Tuberculosis death rate, 10½ times greater in slum area.

Criminals, 15 times greater in slum area.

(Source: Report of City of Detroit Housing Commission.)

Cleveland, Ohio: Percent of city's population contained in slum area, 2.47 percent.

This slum area had of the city's total: Larcenies, 4 percent; robberies, 5.7 percent; juvenile delinquencies, 7.8 percent; illegitimate births, 10.4 percent; murders, 21.3 percent. (Source: R. B. Navin, Analysis of a Slum Area.)

Mason City, Iowa:

## Cases per 100 families

	Tuber-culo-sis	Mal-ad-justed chil-dren	Child mor-tality	Child delin-quency	Major and minor crimes
Rest of city.....	1½	1	2½	3½	1
Slum area A.....	2½	10	10	13	9
Slum area B.....	5	8	11	9	5

Source: Iowa State Planning Board (1935).

Mr. DOUGLAS. Mr. President, we need not spend too much time on the reasons why slums exist. In most cases, the rush of low-paid workers into our cities who have to live close to their jobs resulted in overcrowding, both of buildings and lots. The houses in many cases were originally poor, and absentee landlords did not keep up the properties. Virtually no amortization funds were set aside out of current earnings to replace the slum dwellings when they were worn out. Many people depended on the assumed appreciation of land values to offset the depreciation of building values; but they never in fact provided for the actual depreciation of buildings, for their replacement, or for their adequate repair. As a result, the slum dwellings have become steadily worse and the blight has spread.

So widespread are the slums that it is hopeless to expect that they can be redeemed by improvements carried out by individual landlords, desirable as these are.

I should like now to display very rapidly a series of charts showing the extent of slum areas in various cities and proposed redevelopment areas.

First, here is a map of Chicago. The black portion of the map shows the badly blighted area; the red portion shows the areas of near blight. We can see how the slum cancer is spreading outward from the central business district of my city.



Next, I show a chart of St. Louis. All the area I now indicate is blighted; while the smaller area I indicate is that which the authorities in St. Louis have chosen for redevelopment if Senate bill 1070 is enacted into law.

Then, here is a chart of the blighted areas of San Francisco. The area to which I now point is the one chosen for redevelopment.

Next, I show a chart for the District of Columbia. I may say that in the District of Columbia the problem is peculiar, because the slum areas are somewhat spotty by blocks and by small sections; but, in the main, the portion of the chart I now indicate is the one where housing should be replaced. These are very bad slums.

I now show briefly a chart for Providence, R. I. There the cancer is scattered all over the city. We can see the magnitude of the problem there.

There is a chart for the progressive city of Milwaukee, which has badly blighted territories both north and south of the central business district.

Next I show a chart for Philadelphia. All the area to which I now point is blighted, but the areas shown in darker coloring on the chart are those which have been chosen for redevelopment if the bill is enacted.

We now see a chart for the city of Baltimore. The entire area to which I now point on the chart is blighted, but the portion marked in green and the portion marked in red indicate areas which it is hoped may be redeveloped and cleared if this bill is enacted.

Next I show a chart for the city of Detroit. The slum areas are in the portion to which I now point. The areas marked "C" and "D" are those where it is hoped redevelopment plans may be carried through.

Finally, I show a chart for the comparatively new city of Los Angeles. The territory I now indicate on the chart is the blighted territory. The region which it is hoped may be redeveloped is shown on the chart in red.

#### THE SLUMS CAN ONLY BE ELIMINATED BY A MAJOR SURGICAL OPERATION

Mr. President, as I said a moment ago, so widespread are the slums that it is hopeless to expect that they can be redeemed by improvements carried out by individual landlords, desirable as this would be, for in the case of the slums and blighted areas it is not merely the individual houses which are substandard, but the general neighborhood. One cannot redeem the slums house by house, desirable as it is to obtain improvements in individual houses. Furthermore, banks will not loan nor will the Federal Housing Authority insure appreciable loans for modernizing or rebuilding in the slum areas. They have written the slums off as hopeless.

Some groups say that the answer is to enforce the city health, building, and fire ordinances requiring minimum standards, as is being done in Baltimore.

This would help, but, as Mayor D'Alessandro of that city testified before our committee:

The Baltimore plan might be compared to first aid administered in the temporary ab-

sence of a doctor which would not be necessary if the doctor were present to begin with and which in no way eliminates the eventual need for the doctor's services. \* \* \* I strongly believe that cities should consider adoption of the Baltimore plan as an interim method of relieving slum conditions to some extent, but don't let anybody kid you into thinking that it is in any sense a substitute for an adequate slum-clearance, redevelopment, and public low-rent housing program. (Hearings on General Housing Before Senate Banking and Currency Committee, 1949, p. 731.)

If the slums are to be cleared, therefore, it must be by a major surgical operation which will cut out these horrible cancers from our cities. Instead of contenting ourselves with improving a house here or there, we must make a mass attack on the evil. If this is so, it may be asked, why cannot private industry and capital do this? If it could, I want to assure this body most solemnly, I would favor it. But with the best will in the world, it has not done so, while the slums have been getting worse and there is no prospect that it can. There are several very good reasons for this inability to deal with the evil. First, the existing cost of slum areas is generally much in excess of what the same land would be able to yield if used primarily for decent residence purposes with some commercial purposes included. Thus I quote some estimates of the land cost of a number of possible projects. I have them here for a number of cities, some 11 projects from 6 cities. The estimates for those projects are as follows:

City	Project	Estimated land cost per square foot	Estimated land cost per acre
Milwaukee, Wis.-----	A	\$1.45	\$63,162
Philadelphia, Pa.-----	A	2.70	117,612
Philadelphia, Pa.-----	B	2.10	91,476
Philadelphia, Pa.-----	C	1.95	84,942
Baltimore, Md.-----	A	1.50	65,340
Baltimore, Md.-----	B	3.50	152,460
Detroit, Mich.-----	A	1.16	50,530
Detroit, Mich.-----	B	1.33	57,935
Chicago, Ill.-----	A	2.75	119,890
Providence, R. I.-----	A	2.00	87,120
Providence, R. I.-----	B	2.00	87,120

It will be noticed that I have not given any figures for New York City. If we were to take Manhattan, the land costs would probably run above \$5 a square foot or over \$215,000 an acre; and in many cases it would amount to from \$7 to \$8 a square foot. That would be the cost to acquire the slum land.

Now in practice the average commercial value of this land, if used for non-overcrowded housing purposes, is generally about 50 cents a square foot or a little less than \$22,000 an acre. We can hardly ask private industry to shoulder a loss which in most cases will be appreciable and which in many cases will be \$40,000 to \$60,000 or even more per acre in order to clear the slums. Public spirited as these men may be, they may properly ask why they should be singled out for sacrifice and ask if it is not a community responsibility for which the community should assume the cost.

Secondly, even in those few cases where private industry has cleared very small sections of slums, they have commonly been compelled as Stuyvesant Town in

New York to build so high in the air as to overcrowd the area. And I may say in that project, as I remember the situation, they were given the power of eminent domain to acquire the land. Thirdly, private owners commonly lack the power of eminent domain and hence can be held up for excessively high prices by strategic individual landowners, while finally, private industry cannot provide or be expected to provide for rehousing the people who are displaced from the slum areas which are being cleared. We cannot disregard the plight of these people. Bad as the slums are, they at least put a roof over the heads of these families and the community owes some duty to see that they are rehoused as they are displaced from the slum areas which are being cleared.

These are the main reasons why private industry and finance cannot clear the slums and that if the job is to be done, it must be done by the community. The figures which I have given indicate that it would be a good investment for the community to undertake it.

#### THE SOCIAL AND ECONOMIC GAINS OF SLUM CLEARANCE AND DECENT HOUSING

As the slums are transformed and the families are rehoused either there or elsewhere, juvenile delinquency will drop. Thus in New Haven, the delinquency rate for children between 7 and 17 years in 317 families who were taken out of the slums and rehoused in a public-housing project was cut in half.

The crime rate will fall; the sickness and death rates will fall. The community will not have to spend as much on fire and police protection and public services. These areas and others which will be developed will foster a healthier family and individual life and both the direct and indirect gains to the community will be great. In the long run it is going to pay society and the United States of America to remove these slums.

One of the most interesting studies in this connection was made in Cleveland where part of the slum area I have referred to was cleared and used for public housing. It was found that the community saved yearly after 1943, \$25,000 on relief rents, \$11,000 on fire protection, and \$25,250 on tuberculosis care and hospitalization. This amounted to total savings of \$61,250 a year. In addition, the crime rate was cut 34 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point some figures on the social effects of rehousing.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

#### SOCIAL EFFECTS OF REHOUSING

Study under the auspices of the Newark (N. J.) Housing Authority shows decrease in public-housing projects of children's communicable diseases, infant mortality, tuberculosis, fatal home accidents, juvenile delinquency, and fires, as compared with areas of substandard housing. Conducted by Dr. Jay Rumney, professor of sociology, University of Newark, the study compared records of tenants in three representative projects of the housing authority with records of population of three areas of substandard housing typical of those from which public housing draws its tenants. The study was



conducted over a 2-year period, 1942 and 1943. It reports the following:

	Public housing	3 wards
Tuberculosis: New cases per 1,000 in age group 15 to 40.....	3.3	6
Infant deaths per 1,000 births.....	34.7	40.6
Children's communicable diseases (whooping cough, measles, scarlet fever, chickenpox, German measles, mumps) per 1,000 children under 15.....	114.2	163.5
Birth rate per 1,000 women 15 to 40.....	118.5	86.2
Delinquents on probation per 1,000 juveniles aged 10 to 17.....	11	14
Fire, per 1,000 persons.....	0.79	2.93
Cost of fire runs at \$100 each per 1,000 dwellings.....	\$295	\$1,115
Fatal home accident per 10,000 persons.....	0	25

In percentages, the statistics show that the public housing projects had 45 percent fewer cases of tuberculosis, 15 percent fewer infant deaths, 31 percent fewer cases of children's diseases, 37 percent more births, 21 percent fewer cases of juvenile delinquency, 74 percent fewer fires, 100 percent fewer deaths from home accidents. (Source: Public Housing in Newark. Report of the Newark (N. J.) Housing Authority, November 1944.)

Rehoused children in Newark showed improvement in school records, over records before rehousing, as follows: Seven percent in attendance, 10 percent in academic grades, 16 percent in personality development grades, 19 percent in health habit grades. (Source: Newark (N. J.) Housing Authority, 1944.)

Philadelphia public housing projects showed a tuberculosis death rate (per thousand) of .34 percent compared with a city rate of .598; pneumonia deaths in projects .17 percent, city rate .586 percent; criminal offenses in projects 3.14 percent, city rate 33.18 percent; and juvenile delinquency in projects 1.27 percent, city rate 2.84 percent.

The cleanliness of the grounds, the good housekeeping and the generally excellent deportment and conduct of the tenants and their spirit of cooperation and responsiveness to constructive suggestions, their pride and satisfaction in their surroundings are ample evidence that they appreciate and are making the most of their opportunities to live and raise their families on a plane consistent with the highest levels of social behavior to be found in our better urban communities. (Source: Homes for War Workers and Families of Low Income. Report of the Philadelphia (Pa.) Housing Authority, July 1941-June 1943.)

In Cincinnati, Ohio, a 1940 study was made of the families in a public housing development and figures compared with those of an adjacent slum area and the entire city. In the new homes, the juvenile delinquency per 1,000 population was one-seventh of that in the adjacent tract. The number of criminal offenses committed in the new homes per 1,000 population was less than one-third of that in the adjacent tract. There were no fires per 1,000 dwellings in the project, compared with 18 in the adjacent tract. Deaths from pneumonia per 1,000 population in the project was one-seventh of that of the adjacent tract and less than one-third of the entire city. Deaths from tuberculosis per 1,000 population in the project numbered less than one-half of that in the adjacent tract and somewhat less than that of the entire city. The infant mortality per 1,000 population was one-fifth of the adjacent tract and less than one-third of the entire city. (Source: Tenth Annual Report, December 1943. Cincinnati (Ohio) Metropolitan Housing Authority.)

The delinquency rate for children of 317 families dropped 1.54 percent after their entrance into a public housing development in New Haven. In the years 1924 to 1940, be-

fore moving into the project, the delinquency rate was 3.18 per 100 children per year. During the years 1940 to 1944, after becoming residents of the project, the delinquency rate dropped to 1.64 per 100 children per year. These statistics are significant since total juvenile delinquency in New Haven showed an increase of 9.1 percent for the years 1940-41 as compared with 1927-40. "It seems, therefore, that a substantial improvement in the social adjustment of children in a given group of families may be reasonably attributed to the conditions of project life." (Source: Naomi Barer, Department of Public Health, Yale School of Medicine, reporting on a study of 317 families living in a New Haven public housing development.)

Records of juvenile delinquency and illegitimate births, compared for Smithfield Court, Birmingham, and the area before the project was built, showed two cases of delinquency from the project, compared with five cases in a previous year. Nineteen illegitimate births in the area compared with none reported since the project was built. (Source: 1940 annual report, Housing Authority of Birmingham, Ala.)

"Incomplete studies of the health of slum dwellers who have been rehoused in public-housing projects in several cities indicate that their morbidity experience improves after they have left slum dwellings. It must be pointed out, however, that community interests developed among the tenants of public-housing projects may well result in the improvement of their nutrition and in making them more conscious of, and hence more alert to use, local public health and preventive medical services. Furthermore, it is easier to provide these people with health services." (Source: How Does Housing Affect Health? by M. Allen Pond, Sanitary Engineer, United States Public Health Service. Published in Public Health Reports, May 10, 1946.)

Most families in Terrace Village formerly lived in slum or poor areas, but, given the opportunity to live in better surroundings, are tending to rise to the level of the community. Some are not able to do so, but these people can be isolated and treated individually, according to need. For example, William Jones and his two brothers missed about 40 days of school each semester after their mother died in 1936. The father, formerly a good worker, became discouraged and became more and more negligent. The public-health nurses assisted the school in getting a WPA housekeeper in the home for a limited period of time, but it was evident we were losing out. Then came a change when the family moved into Terrace Village; the transformation was slow, and for a time we feared too much damage had been done, but finally a good home and a good community helped to bring back the pride of home life that had been there formerly. We feel now that success is possible. Note that teachers, public-health nurses, WPA housekeepers, recreation leaders, and others were active, but we didn't see results until a decent home was acquired. (Source: Citizens Look at Public Hearing, a symposium. Published by the Pittsburgh Housing Association; quoting John H. Mogart, principal, Herron Hill, Jr., High School.)

Almost 14 percent of the families that moved out of low-rent projects during the year ended June 30, 1945, gave purchasing of home as the reason for moving. This is somewhat higher than the 11 percent of move-outs which occurred for this reason during the earlier 6-month period for which data are available. (Source: Families moving out of low-rent housing projects, July 1, 1944 to June 30, 1945. Report S-561, Federal Public Housing Authority.)

Fifty of our tenants were able to purchase homes during 1943, and many more rented homes or apartments so that they could

move out of our projects. During the first 6 months of 1944, 35 of our tenants purchased homes. (Source: Annual Report, 1943-44, Housing Authority of Omaha, Nebr.)

Fifty-one low-income residents felt their financial condition sufficiently improved to justify home ownership. As soon as these families were able to take the next step in self-improvement, they left the housing communities and thus made available apartments for other low-income families living in substandard dwellings. (Source: Annual Report, 1942, Birmingham (Ala.) Housing Authority.)

Twenty-nine families moved out of Brewster Homes into homes purchased by themselves. At Charles Terrace, 13 tenants built or bought their own homes. At John W. Smith Homes, 6 purchased their own homes. (Source: Ninth Annual Report, 1943, Detroit (Mich.) Housing Commission.)

Story of a steel worker and his wife and 3 children (family income, \$954 a year), before and after they moved from a slum dwelling, cooped up five in one room, into a four-room apartment in a public housing project. (Source: Home: A True-Picture Story of the Lester Churchfield Family, 1940-41, Pittsburgh (Pa.) Housing Authority.)

The three low-rent Government housing projects have been quick to demonstrate the positive effects upon healthful living which good housing offers. \* \* \* The housing project is becoming the generator of healthful living, immediately influencing the lives of its residents as well as those in the surrounding areas. \* \* \* Of the families included in this study, 15 or 20 percent had better health as a result of improved living conditions. (Source: Miss Theresa K. McGrath, Family Society, New Haven, Conn.; quoted in the Fourth Annual Report of the Housing Authority of New Haven, 1941-42, on a case study of 30 families living in Elm Haven project.)

A curious byproduct of the establishment of each of the projects of this authority has been the general improvement of the neighborhood outside of the authority's own premises. Houses have been repaired and repainted and the whole level of the locality noticeably raised in each instance. The fear that a housing project would destroy values in the immediate neighborhood has likewise proven to be fallacious. (Source: Annual Report, 1945, Housing Authority of Brownsville, Tex.)

#### THE NATIONAL GOVERNMENT IS NEEDED TO DO THE JOB

Mr. DOUGLAS. Mr. President, but I suppose the objectors will argue that while this may be a community concern, it should be tackled by the cities and States, but not by our National Government. The truth of the matter, however, is that our cities and local governments are more or less broke and simply do not have the income to shoulder either all or a major part of the load. They get their revenues in the main from real estate which is paying about all that it can. They have about reached the limit of their bonded indebtedness. If the slums are to be cleared, therefore, the Federal Government will have to do the main part of the job, although the cities should, of course, help as they are required to under the provisions of this bill.

I take it that the constitutional question as to whether the National Government has the power to act has long since been approved by a solid line of Supreme Court decisions. As I remember, James Madison for a long time thought that Congress was limited in its spending powers to the specific purposes authorized



by the Constitution. But it has been decided by the Supreme Court that the Congress can appropriate to further the general welfare. I need only cite Massachusetts against Mellon and the other cases which followed it in this connection.

#### THE DETAILED FEATURES OF TITLE I

That is the purpose of the pending bill, and certainly the purpose of title I. By title I the Federal Government will loan up to \$1,000,000,000 to cities which, under State laws, have set up slum clearance and redevelopment authorities. There are, as I shall show on this map, 26 cities which now have urban redevelopment laws. This billion dollars will then be used for this work and should make a very appreciable inroad upon our slums. Let me emphasize the fact that the States are not by-passed. They are to pass redevelopment acts giving local authorities the power to clear slum areas and to redevelop them. Nor can the Federal Government force the cities to act against their will. If a city does not want such a program, it does not have to undertake it. If it does, it draws up its own redevelopment program governing what areas shall be cleared and the uses to which the land will be put. The plan must not only be drawn up by the redevelopment authority, but must be approved by the governing board of the city. The local authorities buy the land, although the Federal Government is charged with keeping a watchful eye on these proceedings to see that while the owners get a fair price, excessive prices are not paid to inside or political groups. The city then clears the land through demolition.

After the area has been once cleared, it can be used for various purposes. Probably the major portion of it will be sold to private interests which can use it for housing upper income, middle income, and upper working-class groups. A part, although we hope not too much, can be sold or leased for commercial purposes. Part may be reserved for low-rent public housing projects. It is probable that the major portion of the land which will be thus cleared for redevelopment will be sold to private parties. As I have pointed out, however, the resale price of this land to private industry will necessarily, in almost every case, be less than the price which the redevelopment authority originally paid for it. There will be a loss on the resale, due to the fact that the use of the land for residential purposes will be less than its present slum value.

The Federal Government will shoulder this write-down loss by a total grant of \$500,000,000 and hence will give a subsidy to private industry. The other \$500,000,000 of the original loans will have to be repaid out of the resale price or lease rentals on the land which is disposed of to private parties. In addition, the local governments are to put up sums equal to one-half the outright Federal grants. These local contributions may be in the form of cash, but are more likely to take the form of facilities such as streets, relocation of water and sewer

facilities, lighting, the provision of parks and schools, and so forth. This quarter of a billion dollars of city money added to the \$500,000,000 grants and the \$500,000,000 of repaid loans will provide, therefore, a total of approximately a billion and a quarter dollars with which to help clear the slums.

It will be noticed that by section 110 (c), on pages 20 and 21 of the bill, the local redevelopment authority is authorized to acquire, in addition to the slum land, platted urban or suburban land which is largely open, or in other words, the subdivisions of the 1920's which were laid out in profusion on the outskirts of our city, but which went "sour" and have never been built up, and a large proportion of which are tax delinquent, and open and unplatted urban and suburban land. It is frequently asked why, if our job is slum clearance, we should help the localities to acquire this land, and various groups have objected because such provision is granted. The reasons for this are very simple and compelling.

It will be necessary to get land to rehouse the slum dwellers who are being displaced before the initial slum-clearance program can go forward. These people cannot be rehoused in the slums for, at first, these will be full. It will be necessary to rehouse them on the outskirts of the cities, and hence the redevelopment authority will need the authority to acquire and develop this land. Secondly, since we want to decrease the density of population in the slum areas, there will necessarily be a spill-over of people who cannot be rehoused there, but must be housed on the outskirts of the cities. This will be particularly necessary, since, under the redevelopment plans, a large portion of the hitherto slum areas will be used for the housing of higher-income groups. This will be another added force compelling the communities to provide housing facilities. Perhaps I should say, finally, that in view of the danger of atomic attack, it is desirable that our cities be more diffused than they now are. This provision would help markedly in that direction. In the main, it is hoped that we can utilize the abandoned subdivisions for this purpose where streets, lights, water, and sewage facilities have already been provided, but which are not now used and which have heavy tax delinquencies upon them. We can thus restore to use some of the dead land which now rings our cities and bring it back into productive and tax-paying use. This would be a double gain. But where unplatted open land is used, there is to be no capital grant and the cost of the original purchase price advanced by the Federal Government is to be repaid from the amounts realized by the local authority after development.

Taken in the large, I think this title and this bill should do more for the people of this country than virtually any measure of which I know. It will help to rid us of one of the greatest blemishes upon our civilization. It will strengthen the real foundations of our democracy and will deprive those who are waging a propaganda war against us of some

of the talking points which they use. In spite of our slums, we are still the best country on earth. But if we can eliminate them, we will be still better.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Illinois yield to the Senator from Alabama?

Mr. DOUGLAS. I yield.

Mr. SPARKMAN. First, I desire to commend the Senator for his very fine presentation of one of the most perplexing problems with which the bill is endeavoring to deal, but I should like to ask him a question particularly with reference to section 102 (d), found on page 7 of the bill. I do this in order that the RECORD may clearly show just what the legislative intent is under that particular subsection. It provides that advance funds can be paid to local public agencies for surveys and plans in preparation of projects which may be assisted. Under most city laws the local public agency which is charged with responsibility for carrying out the specific land assembly and redevelopment operation is also charged with responsibilities for making the necessary local surveys and plans for such projects. However, as the Senator knows, under some State laws the local planning commission, or some similar official local agency, other than the public redevelopment agency, is given the responsibility for making all necessary local surveys, plans, and projects.

I should like to know whether, under the provisions of the bill with respect to these advances, such cases as I have mentioned are covered. I presume such advances would be made to the local public redevelopment agency, but I should like to have the able Senator from Illinois, who has given so much time to the study and preparation of this part of the bill, give us his opinion with reference to the matter which I have suggested to him.

Mr. DOUGLAS. The distinguished junior Senator from Alabama is completely correct on this point, as he always is. In such cases as those which the Senator has mentioned advances would be made to the local public redevelopment agency, which would then make the funds available to such other official agency as is responsible, under the State law, for making all project surveys and plans. In such cases, even if the project surveys and plans are made by some other local agency, the advances would have to be made to the local public redevelopment agency, since it is the latter agency which is charged with the funds which become available to it for the undertaking of the project involved.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. CAIN. Under the terms of title II, as I understand, perhaps as many as 810,000 units of subsidized low-rent housing will be constructed.

Mr. DOUGLAS. That is our hope.

Mr. CAIN. As a result of the building of 810,000 units of subsidized low-rent housing, how many units of slum hous-



ing will be eliminated? I ask that question, I may say to the Senator from Illinois, because I share his deep concern regarding the continuance in this country of what is commonly referred to as the American slum, and I should like to know whether the construction of the subsidized units will actually and in fact result in minimizing the slum areas in America.

Mr. DOUGLAS. I do not think it can be said that exactly 810,000 slum units will be torn down, because of the high cost of slum land. I was very careful not to make any such claim. I do say, however, that the billion and a quarter dollars referred to will enable us to make a very appreciable inroad upon the slums.

I think, in most cases, as illustrated by the charts which I have exhibited, we can enable redevelopment projects, such as those outlined, to be carried through. It will not be the end of the slums, but it will be the beginning of the end of the slums.

Mr. CAIN. I may say to the Senator that, with reference to his statement just made, I thoroughly agree that the sums to be made available as loans by the Government in the redevelopment section will begin to minimize and get rid of the slums in America, but I am certain the Senator agrees with me that the job is very much bigger than can be cured by the redevelopment section, and that we should look for every conceivable way in which further elimination of slums can be brought about.

In 1937, when this country for the first time embarked on a program of low-cost housing, it was provided that for every unit of low-cost public housing to be constructed, one unit within an American slum must be torn down. I wish to ask the Senator in all seriousness whether we should not consider providing in the pending bill for the elimination of a slum unit for every unit of subsidized low-rental housing the bill provides shall be constructed. If we agreed, that would make certain that if we built 810,000 units at a very heavy, though justifiable, cost on the American taxpayer, at the same time we would be reducing the existing slums by 810,000 substandard dwellings.

Mr. DOUGLAS. The whole purpose of title I is directed to this end. As I remember the 1937 law, which the Senator has quoted with complete accuracy, it was passed at a time when there was not a housing shortage.

Mr. CAIN. That is indeed correct.

Mr. DOUGLAS. It was felt that public housing should not add to the total number of rental units, but should merely displace other units. We are now faced with the fact that there is a housing shortage, and that in the short run it may be desirable to add to the total number of housing units by building more housing units than are actually torn down. But the purpose of title I is to get rid of as large a volume of slums as possible.

Mr. CAIN. But the slums to be gotten rid of are considerably larger in number than can be gotten rid of by title I of the bill.

Mr. DOUGLAS. We have to make a beginning. I should like to point out also that in the buildings which are constructed, whether in the slum areas themselves or on the outskirts, the people who will have first call upon rental accommodations will be slum families. So that even if we do not tear down 810,000 slum units, we will gradually clear 810,000 families living in slums into the new buildings, and gradually, we hope, a lot of the population will be sucked out of the slums.

Mr. CAIN. What provision of the bill makes certain that those who live in slums today are to be taken care of in any of these 810,000 units?

Mr. DOUGLAS. I will ask the Senator to look at title II of the bill, section 201 (b), pages 26 and 27.

Mr. CAIN. The reason back of these questions lies in the obvious fact, as I read the bill and understand it, that it can quite readily come to pass that we can do one fine thing, namely, build 810,000 units of subsidized low-cost housing, which are not presently available, but if we do, we will still make no inroad of any character, by the erection of those 810,000 units, on prevailing slum conditions, under title II of the bill.

Mr. DOUGLAS. Let me point out to the very distinguished Senator from Washington that on page 27 of the bill it is stated that the local housing authority must certify that the families who occupy the new housing must not only be low-income families, but must have "lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant."

In other words, slum dwellers are to get first call upon the new housing units which are to be constructed, and in some cases, we hope in a very large percentage of the cases, they will come from slum dwellings which are being destroyed. In other cases they will come from slum dwellings which are being allowed to continue to exist, but the population will be sucked out of those slum areas.

Mr. CAIN. If it is true, as I am sure the Senator hopes will be a fact, that those who live today in a slum housing unit will be taken care of in a federally constructed subsidized low-rent unit, why should we not make certain that the house from which the family has been removed, namely, a house in the slums, shall not be lived in by any other American citizen or American family? We could accomplish that by merely preserving the basic premise of the original law of 1937, which provided that as we create a unit under the act that is good, we tear down, by regulation, a unit that is bad? I think the Senate should give serious consideration to making certain that we continue to do what was the intent of the Congress only a few short years ago.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me at that point?

Mr. DOUGLAS. I am very glad to yield to the Senator from Alabama.

Mr. SPARKMAN. Does the Senator recall, however, that as the housing shortage developed later, Congress specifically wrote into the law a provision that the public housing projects should not be used for the purpose of replacing slums? That was written into the Lanham Act, and it was done because Congress realized that a much greater housing shortage was being developed than could be taken care of. While I desire to see as many slums done away with as possible, yet I think we should certainly take into consideration, in erecting housing units, that we are still faced with a tremendous housing shortage.

Furthermore, I think it is highly important that we keep in mind the separation of slum clearance and public housing. A public housing unit may replace a slum-clearance unit, but, on the other hand, it may not. They are not necessarily dependent one upon the other. They are two separate and distinct programs, each one able to stand on its own feet, but, of course, related, because we hope to make some inroad by getting people to move out of the slum areas as fast as possible.

Mr. DOUGLAS. I thank the Senator from Alabama for his statement.

Mr. CAIN. Mr. President, will the Senator from Illinois yield that I may ask a question of the Senator from Alabama?

Mr. DOUGLAS. Certainly.

Mr. CAIN. I think that in referring to the Lanham Act the Senator from Alabama has referred to a piece of wartime legislation. As I construe it, the discussion before the Congress at this time is in the interest of a peacetime economy, which should be and must be separated from such temporary acts of legislation as that referred to by the Senator from Alabama.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield to the Senator from Alabama.

Mr. SPARKMAN. Of course the Senator from Washington is correct, but the point I was trying to make was that the purpose behind the provision of the Lanham Act to which I have referred was the increasing housing shortage with which we were confronted, and the point I make with reference to the present situation, which is somewhat analogous to the circumstances as they existed when the Lanham Act was passed, is that we are still confronted with a housing shortage.

Mr. CAIN. I thank the Senator from Alabama. One thing which concerns me, and which I wish to point out to the Senator from Illinois, is that if we remove an American family from a slum unit, and properly house it, only to find that the slum out of which it has come has been reoccupied by some other American family, we are simply not keeping faith with the declaration of principle, intent, and purpose, so beautifully outlined in the beginning of the pending bill; but if we could say to the American people, and prove it, that "For



every unit of housing which we are asking you to subsidize for those who, other than yourselves, are going to live in them, we are going to make certain that there has been removed forever from the American scene some disgraceful unit of housing"—if we could make such a guarantee, which to me seems very reasonable, I think we would begin to gain public support for the attempt to solve the problem of subsidized public housing, which certainly is not too generously agreed to by many people today.

Mr. DOUGLAS. Mr. President, is it not true that for every slum-clearance project which is carried through and for every slum family which is displaced, under the proposed legislation the community would be required to provide decent housing facilities? Is not that true?

Mr. CAIN. Yes.

Mr. DOUGLAS. The Senator's question is simply whether there will be enough slum-clearance projects. That is the Senator's question, is it not?

Mr. CAIN. I want the Congress to do the very best possible in the way of accomplishment, through legislation which presumably will shortly be passed by the Congress.

Mr. DOUGLAS. I join with the Senator from Washington in that expression. I am very pleased to know that the Senator has not yet, at least, taken exception to the fact that the new projects may also be on the outskirts of cities, as well as in the very centers of the cities.

Mr. CAIN. No, I do not agree that they should of necessity be in the center of the city. So we have no ground of disagreement in that respect.

Mr. DOUGLAS. In other words, projects will be needed on the outskirts of cities to take care of families temporarily displaced, to provide for lower living densities, to take care of the persons of lower income who are displaced by those of middle incomes as well as by persons in the upper income brackets who come to live within these areas.

Mr. CAIN. We are not in disagreement on that point. If the Senator will permit me I should like to use one example? It happens that the junior Senator from Washington lives in a typical American community. Its name is Tacoma. It has a population of about 140,000.

Mr. DOUGLAS. It is a very beautiful city, I may say, and upon occasion, as a tourist in that region, I have gone up to the hill above Tacoma and looked through a telescope, which has above it the words "Watch Tacoma Grow".

Mr. CAIN. I may suggest for the benefit of those at home and for my colleagues here that Tacoma has grown increasingly with the years. But about 1937 Tacoma, like many another city, was given an opportunity to accept some Federal funds for the purpose of constructing low-rent accommodations. I am not satisfied what the city's final decision would have been, but the war came on and it was decided to use available Federal funds for the purpose of constructing homes for war workers. So we necessarily found ourselves faced with a prohibition against the removal

of substandard housing; or at least no reference was made in any way to the matter of tearing down one unit for every new unit constructed. The net result, however, has been a construction in that average American city of, I think, about 2,500 units of pretty good housing in which lower income groups live today. But in that city not one single unit in these recent years has been torn down. Admittedly we have 2,500 new units of housing, but we still have every single unit of substandard housing that we had in that community 7 or 8 or 9 years ago.

I am as satisfied as I am that I am standing here now, that if we pass the proposed legislation in its present form, without any assurance that one unit shall be torn down for every one that goes up, we are going to build 810,000 units of pretty good housing, but we shall in consequence have done nothing whatsoever to minimize the hazard of prevailing slums.

Mr. DOUGLAS. Would the Senator from Washington tell me whether the housing in Tacoma to which he refers was constructed under the 1937 Public Housing Act?

Mr. CAIN. For the reason that the war came along, the housing was constructed under several Lanham Act provisions.

Mr. DOUGLAS. Is it not true that the Lanham Act contained no provision whatsoever respecting slum clearance, and that there was no obligation on the public authorities to clear the slums.

Mr. CAIN. Exactly.

Mr. DOUGLAS. But the proposed act which we are considering would create an obligation upon the authorities to clear the slums.

Mr. CAIN. Under title I.

Mr. DOUGLAS. Yes; under title I.

Mr. CAIN. I am completely in agreement with that approach through title I. But the point I am trying to make is that not only ought we to do as much as we can to eliminate slums under title I but likewise under title II. If there is an opportunity by an amendment to destroy 810,000 units of substandard housing under title II, I think we should consider the advisability of doing so. I know if we should do that there would be a degree of public support for the approach to the problem of subsidized low-rent housing which is not generally, or too generously, available at the present time.

I wonder if the Senator from Illinois could point out to me his reasons for opposing a provision in the bill, which could be added by way of an amendment, that for every new unit of subsidized federally supported housing we shall be able to say to the American people, "We have removed from the scene one substandard unit of housing." It would not slow up the program very much, I may suggest to the Senator from Illinois.

Mr. DOUGLAS. We are not certain that the one and a quarter billion dollars which will be provided under title I would be adequate to do that, because the total cash subsidy provided would only be \$500,000,000; or approximately \$600 per dwelling.

Mr. CAIN. Are we not trying to get rid of the American slums? If we really are, then I think we can afford to spend whatever time is necessary in order to make provision for adequate money to do that work.

Mr. DOUGLAS. Approximately one and one-quarter billion dollars is all that will be provided, as I stated, under title I, and the question is whether that amount is adequate for such purpose.

Mr. CAIN. I am deeply appreciative of the time which the Senator from Illinois has permitted me.

Mr. DOUGLAS. It is a privilege on my part.

Mr. CAIN. I had not intended to raise these questions on my part, because I have on my desk an amendment which would merely provide that the provisions of the law of 1937 shall be adopted in connection with the passage of this bill, but I consider it a real favor that the Senator has given to me his point of view.

Mr. DOUGLAS. I thank the Senator from Washington very much.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I should like to ask the junior Senator from Illinois in connection with his presentation of titles I and II of Senate bill 1070, whether title I does not offer an incentive toward slum clearance to meet the suggestions and the requests of the Senator from Washington? Does it not?

Mr. DOUGLAS. Yes; I think it does. Experience has shown that it is not desirable to rely on public housing alone and means of eliminating slums. I should be very glad to have the Senator from Minnesota develop that point.

Mr. HUMPHREY. No; I merely wanted to have it made quite clear that title I—slum clearance and community development and redevelopment, actually does give an incentive to the community which is seeking a tax base—and about 90 percent of the tax base in a municipality is the real-estate tax or the property tax—that is actually does give an incentive toward the demolition of slum areas; and not merely slum residential areas, but slum business areas.

Mr. DOUGLAS. Provided they ultimately become primarily residential.

Mr. HUMPHREY. That is correct. Is it not true, I ask the Senator from Illinois, that the municipal officials who testified before the Committee on Banking and Currency pointed out the importance of having areas within their jurisdictional limits in which they could develop housing.

Mr. DOUGLAS. That was the testimony of virtually every major and virtually every public official who appeared before the committee.

Mr. HUMPHREY. Is it not true that one of the basic problems which confronts a municipality, in terms of its revenues, is the constant problem of the suburb, where the new taxable property is constructed, and to which people are fleeing, leaving the old city to rot from within?

Mr. DOUGLAS. That is happening in virtually every major American city.



The cities are rotting from within, and people are fleeing to the suburbs to obtain the benefit of cheaper rentals. The bill provides a process of taking this overvalued land, with its rotten buildings, and clearing it, making it possible for people to live nearer their work.

Mr. HUMPHREY. That is exactly so.

Mr. DOUGLAS. The new family groups coming into the new housing can, in most cases, pay for the services, so it will be a good business proposition for private redevelopment.

Mr. HUMPHREY. Is it not also true that the people who move into the new suburban areas frequently use the public services of the major metropolitan centers?

Mr. DOUGLAS. That is most certainly true. In the city of Chicago we are maintaining elaborate highways so that people may reach the suburbs more quickly, where they evade paying taxes to the city for the services which we maintain for them. That is true in virtually every major city of the United States. The proposal in the bill will help to bring many of these suburbanites home.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I should like to ask the Senator from Illinois, in reference to the question propounded by the Senator from Washington, whether or not title I actually performs the service which the Senator from Washington wants, and not only performs the service of slum clearance, but slum clearance which provides a tax base for the continued development of public services within the municipality.

Mr. DOUGLAS. Yes. The territory which is cleared will probably be sold primarily to private interests, who will use the territory for upper-income housing, middle-income housing, upper-working class housing, and some commercial purposes. Those will yield a revenue sufficient to pay the local redevelopers, and to pay taxes, and will increase municipal revenues.

Mr. HUMPHREY. I wonder if the Senator from Illinois has made the observation that if we were to put into title II, the public housing title, the requirement that for every public housing unit which is constructed an old slum unit should be torn down, the amount of appropriations which would be required under this proposed law would have to be augmented by at least 50 percent.

Mr. DOUGLAS. The appropriation would possibly have to be increased very greatly. If the Senator from Washington, at the same time he proposes this amendment, also proposes an amendment to increase the total loans to \$1,500,000,000, and additional grants of \$500,000,000, then I think we can discuss that issue; but I am a little reluctant to tie our hands to \$1,000,000,000, and at the same time impose the obligation for clearing 810,000 units.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CAIN. If I may be permitted to respond briefly, let me say that I am satisfied that what the junior Senator from Washington not only had in mind, but said, was that if the idea of one-for-one is agreed to be right, then we ought to satisfy our other obligation, which is to provide whatever moneys may be required to insure the tearing down of units of substandard or slum housing, to be replaced by what we all want, which is better housing. So if the principle is agreed to, I shall be glad to resolve with the Senate the question as to how much money will be required to insure that 810,000 bad houses are torn down to make way for 810,000 good houses.

Mr. DOUGLAS. Will the Senator say that he intends to propose two amendments, one to increase the total grants and loans under title I, and the other to impose the obligation of tearing down 810,000 units? If he does that, we may approach an agreement. I should like to talk with the Senator on that question over a cup of coffee.

Mr. CAIN. I want to determine first—and I know the Senator from Illinois will agree with me—whether or not others besides myself think it would be good for the program of public housing in America and for our society and economy as well, to make certain that in return for every good housing unit we construct, we make equally certain to tear down a bad housing unit. If we could come to an agreement on that point, I should be most pleased to join the Senator over a cup of coffee, or to argue the merits of the case on the floor of the Senate.

Mr. DOUGLAS. The Senator from Washington should also consult the distinguished Senator from South Carolina [Mr. MAYBANK], who is chairman of the committee, and the distinguished junior Senator from Alabama [Mr. SPARKMAN], who have borne the major share of the battle. I am merely one of the lesser lights, appearing on the third day.

Mr. CAIN. As I recall, the Senator from Illinois raised this question. I should be delighted to satisfy his requirements.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I wonder whether the Senator has gathered from the remarks of the junior Senator from Washington that the policy statements which have come from the Republican Policy Committee on the matter of economy are now to be somewhat shoved aside in an effort to increase the funds to be made available for loans and grants under title I and title II of the bill.

Mr. DOUGLAS. I will say to the junior Senator from Minnesota that I do not like to discuss these questions in a political setting. I wish to pay tribute to the fine work done by a number of Republican Senators on this bill, such as the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY], and the Senator from

Ohio [Mr. TAFT], who have rendered yeoman service, and who deserve as much credit for this bill as any Senator on our side of the aisle. So I do not wish to make this a partisan issue in any sense. However, I will say to those who in the past have been somewhat dubious about this matter that there goes through my mind a little hymn which as a boy I used to sing in church. If this does not fit anyone's case, he does not have to apply it. Two lines of that hymn ran as follows:

And while the lamp remains to burn  
The vilest sinner may return.

I can say that we have the lamp in the window, and if any of the sinners on this subject—and I do not like to draw such a distinction—want to come in through the door, the past will be forgotten. We will throw our arms around them, and we will come through with an even bigger slum-clearance program. And we will never raise the issue as to whether or not it is in conflict with the Republican platform.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I certainly do not want the Senator from Illinois to feel that this is not in my mind a nonpartisan measure. The only thing I am concerned about is whether or not, if we were to adopt an amendment such as is proposed by the junior Senator from Washington [Mr. CAIN], it might stymie the progress of this particular bill. I am convinced that the Committee on Banking and Currency has weighed the financial requirements of this measure very carefully, in terms of the budget proposals and in terms of the revenues which will be available to the Government. To talk in terms of things that we could never realize, and to say that we ought to have perfection, and ought to increase the amount of the appropriation to attain perfection, may mean the death of the very measure which we are trying to place upon the statute books of the Nation. I think it is only fitting and proper to ask the question whether or not we are better off by trying to move ahead on the basis of the proposal in Senate bill 1070 than we would be if we were to set our sights on something which could not be realized, even though it might be a great social panacea.

Mr. DOUGLAS. I agree with the Senator from Minnesota. While the computation of the precise amount necessary to clear 810,000 slum units would be difficult, nevertheless, the total appropriation of \$1,000,000,000, of which half would be sunk, would provide for an average purchase price of approximately \$1,200, of which about \$600 would be sunk, and \$600 carried over into the cost.

Taking the country as a whole, I think that might not be too far from the correct amount; but I should be quite reluctant, offhand, to tie the program down with the specific provision that 810,000 specific units are to be torn down. For one thing, I am not quite certain what it would do to the question of veterans' preferences.



Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Slum families have first preference, and within the group of slum families veterans living in slums have A-1 preference. After we get out of the class of slum families and into the community as a whole, veterans are at the top of the second list. I am not quite certain what the proposal would do to veterans' preferences.

Mr. CAIN. May I ask the Senator from Illinois if he would not like to think that the day will come when for every good unit of housing which is constructed through Federal subsidies of one kind or another, a bad unit of housing will be destroyed and taken away.

Mr. DOUGLAS. That is something devoutly to be wished, and I hope that in the administration of this act the Housing Administrator will not primarily bypass slum clearance for development on the outskirts. I hope we can make on the floor of the Senate a record sufficiently strong as to make plain that his primary obligation is to clear the slums under title I. Anything the Senator can say, or anything I can say in that direction will be in the right direction. There will, of course, have to be areas developed on the outskirts to provide new housing for displaced families.

Mr. CAIN. If the Senator from Illinois will indulge me for a minute or two, I take very seriously the declaration of a national housing policy, and I think every other Member of Congress ought to do the same thing—and presumably most of them do. But one of the great ambitions included within this declaration of policy is the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas. I have just raised the question whether this is not the opportunity to say, because it is the first time America has ever undertaken to provide publicly constructed housing in large volume, that we should take advantage of that coming fact and should make certain that as we construct better housing, on the one hand, we shall remove the menace to health, happiness, freedom, and so forth, on the other hand, as represented by bad housing. Should we not look for some means to insure that we shall get rid of the bad at the same time we increase the good?

So I come back to the simple example, which I gave in the case of Tacoma, Wash., which has 2,500 more houses, built with public money, than it had before the war, but it has precisely the same number of slum units which existed in that city in the thirties.

Mr. DOUGLAS. But I point out again to the Senator from Washington that there was no obligation in the act under which the 2,500 houses were constructed in Tacoma, Wash., to clear the slums; but that under this bill there is an obligation that the slums be cleared.

Mr. CAIN. I certainly agree with the Senator from Illinois that there was no requirement of that sort anywhere in the Lanham Act, so far as I know.

But I am still conscious that in 1937, when the Congress and the country thought the time had come to embark upon a public-housing program, one of

the requirements for making public tax-dollars available for housing which would be good in America was that we would make certain that housing which was bad would be torn down. I point out that if the bill now before the Senate is passed in its present form, we shall have backed down on that requirement of the 1937 act, and in effect we shall have lost ground, rather than gained it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. FERGUSON. Let me point out that there is no time connection between slum clearance and the building of low-rent housing, as provided in the bill. For instance, the Senator has brought into the Chamber a map of the city of Detroit. In referring to that map, if we decided that in the city of Detroit we wish to build some low-rent housing projects, under the bill it will not be necessary to tear down a certain number of slums before building the new housing projects. In other words, under the bill Detroit will have an option. She may have slum clearance and public housing or she may have public housing alone, to be built on farm lands within the city limits, possibly. Is not that correct?

Mr. DOUGLAS. The cities will have an option.

Mr. FERGUSON. That is what I mean; each city will have an option in that respect.

Mr. DOUGLAS. It is not our purpose to insist that each locality conform to a rigid standard; but if they have slums and wish to clear them, the Federal Government will provide two-thirds of the funds required to do so.

Mr. FERGUSON. I understand that. But under the bill there is no tie-in, so that some 800,000 houses in America must be torn down, although they are of the worst type to be found in America. In this connection let me say that I pointed out, the other day, on the floor of the Senate that the houses referred to in Washington, D. C., are no worse than certain houses in other cities or even in certain small villages in the United States.

Mr. DOUGLAS. Certainly.

Mr. FERGUSON. So we are not here attempting to tie in the question of getting rid of slum areas with the question of building low-rent houses.

Mr. DOUGLAS. I think we are. We are not making it a 1-to-1 relationship; but obviously the two are connected. I do not know the city of Detroit very well, but I imagine that the slum area indicated on the chart now before us is the central business district; is it not?

Mr. FERGUSON. Yes; that is the Woodward Avenue district, coming down between the areas marked "C" and "D" on the map.

Mr. DOUGLAS. These are relatively blighted areas; are they?

Mr. FERGUSON. They are. They are in the old section of the city.

Mr. DOUGLAS. Very well. If those sections can be cleared, certainly we must not say that in the future they must necessarily be occupied entirely by families which have been slum families. There may be upper-income families—

those whose children have grown up, families who formerly lived in the suburbs and had the advantages of suburban residence—who now wish to move in close to their work. They can move into private dwellings or private apartments, constructed by private capital, and occupying a portion of this area. But the new buildings for the slum families can either be entirely in the former slum area or in part there and in part in the suburbs.

Mr. FERGUSON. But is there not this tendency? When we clear the slum area, the land there, being in the old section of the city—as in the case of Chicago—is held by its owners at such high prices that, even though the area is cleared, private builders cannot afford to construct private housing in that area?

Mr. DOUGLAS. It is just that condition which is holding up the present clearance of the slums.

Mr. FERGUSON. That is true.

Mr. DOUGLAS. I think I quoted figures of from \$1.16 to \$1.33 a square foot, or from \$50,000 to \$158,000 an acre for Detroit. It is because the land is so high-priced that private capital cannot clear it and use it for better housing facilities.

But under title I of the bill the local redevelopment authority with Federal money will clear that and then will resell it to private parties, at a price which will enable them to construct decent housing on it, with the Federal Government assuming a part of the write-down cost. In other words, the Federal Government will be subsidizing private industry in order to clear the slums and get this new construction built.

Mr. FERGUSON. I wish to ask the Senator whether he thinks this would be a good idea: When a city clears a part of the slums, and the land becomes vacant and is not used for park purposes or recreational facilities, then, instead of giving the city Federal dollars with which to construct a low-rent housing project on vacant land outside that area, require the city to construct houses in the blighted area, so as to take away the blight.

Mr. DOUGLAS. Does the Senator mean to require the present owners to do so?

Mr. FERGUSON. Yes; or require it of the city; so that instead of building such houses on a tract of land out in the country or where no houses are located now, actually the houses would be built on the blighted land.

Mr. DOUGLAS. It is the expectation that a portion of this cleared land would be so used.

Mr. FERGUSON. It may be the expectation, but it is not tied in any way, under the bill. In other words, there is no requirement of that sort in the bill.

Mr. CAIN. Mr. President, will the Senator permit a question at this point, for I am certainly concerned with the thinking of the Senator from Michigan.

Mr. FERGUSON. Of course.

Mr. DOUGLAS. I yield.

Mr. CAIN. As I understand this bill—and I was a member of the subcommittee and of the full committee which gave consideration to it—it pro-



vides any American community with four choices: The community can take advantage of the slum clearance-redevelopment provisions of title I; or it can take advantage of the provisions of title II; or it therefore can, logically, take advantage of a combination of both; or, in the fourth instance, it can consider both measures and can decide that it wants nothing to do with either of them.

Mr. DOUGLAS. That is mathematically correct, for if one has two variables there are four possibilities.

Mr. CAIN. Yes. From this point of view, I think it is certain that a number of American communities may decide that they want to go into the field of subsidized low-rent housing, to the exclusion of slum clearance. If those communities created 15,000 units of subsidized low-rent housing, but did nothing about slum elimination, there would be 15,000 more houses, without having removed a single blighted area from the cities in question.

Mr. DOUGLAS. But I point out that that would be done by local decision.

Mr. CAIN. Yes.

Mr. DOUGLAS. And, presumably, I thought that the Senator from Washington and also the Senator from Michigan [Mr. FERGUSON] were very strong exponents of the principle that the municipalities should make the fundamental decisions on these points.

Mr. CAIN. We are, indeed, sir.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield.

Mr. FERGUSON. There is a question as to how this program may end. I am not talking about what a municipality may decide, but I am suggesting it may end up merely by a shifting of the slums, if the blighted areas are torn down and it is then decided not to build new housing.

Mr. DOUGLAS. New housing must be built to take the place of the buildings torn down. The bill provides that you cannot clear unless you can provide decent housing for those living in the slums to be torn down.

Mr. FERGUSON. I refer to the situation in Puerto Rico, where I saw some 5,000 or 6,000 new houses built on the seashore. The slums which had been built up in the city are still occupied. Both the new and the old areas are being occupied at the present time. In other words, the slum was not cleared; the structures were not torn down. In the event old structures are torn down and new housing is not built in their place, it is possible the slum would merely be shifted to another place, to structures in the next oldest section.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield. I want to pay a tribute to the Senator from South Carolina by saying we would not have had the pending housing bill in its present form, had it not been for his devotion and hard work.

Mr. MAYBANK. Mr. President, I may say to the Senator I appreciate his

remarks. I appreciate the hard work done by every member of the committee, including the distinguished chairman of the subcommittee, and the distinguished Senator from Illinois, as well as the present distinguished Presiding Officer [Mr. FREAR in the chair]. But for their hard work and splendid cooperation we would not now have the bill in its present form. There is, however, one point which I think has not been sufficiently stressed, and that is relative to the costs. Is it not true that the number of units has been reduced from 1,050,000 to 810,000, and is it not also true that the estimate of \$445,000,000 a year has been reduced to about \$308,000,000?

Mr. DOUGLAS. We have tried to make every concession possible in order not to overwhelm the financial resources of the Government, and in order to take into the partnership as many of our Republican brethren as possible.

Mr. MAYBANK. I thank the Senator. I desire to ask him a further question. The committee studied the cost of the program, concluding that it might be less if business continues good. The last thought in our minds was to interfere with the budget, or to interfere in any way with the finances of the country in the handling of this problem, the solving of which will mean so much to the country, as the Senator has so ably stated, in connection with the cleaning up of slums.

The Senator has shown a number of charts relative to the cities of Detroit, Chicago, and New York. The Senator has also given many statistics on the cost per acre of land in those highly congested areas. Is it not true that in order to provide a suitable safeguard to the States, we wrote into the bill, in both titles, language with which the Senator is familiar—and I ask this only for the RECORD—that not more than 10 percent of the funds provided in the bill, either in the form of loans or grants, shall be expended in any one State?

Mr. DOUGLAS. That is correct.

Mr. MAYBANK. We thereby protected the States, to that end.

Mr. DOUGLAS. We put a limit on the amounts that Illinois and New York could receive, in order that the remainder of the country could get more. I may say, though in my own State of Illinois we could use more than 10 percent, since we probably have more than 10 percent of the housing needs of the country, we nevertheless accept the limitation very gladly.

Mr. MAYBANK. I thank the Senator for his full cooperation as a member both of the subcommittee and of the full committee. He has at all times endeavored to be fair to all the American people, and to divide the funds so that each State shall receive its proper portion, and so that no one large State shall receive more than 10 percent.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my remarks an editorial entitled "The Goal of a Decent Home," published in the New York Times of April 19, which was writ-

ten in the interest of the Ellender housing bill which we now have under consideration. In view of the fact that the New York Times is a highly conservative newspaper not given to advocating radical measures, I think it will be valuable to have the editorial printed immediately following my remarks. I should also like to say, if any Senators wish to accompany the Senator from Vermont [Mr. FLANDERS] and myself on a short tour of the Washington slums, we shall be at the west entrance.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE GOAL OF A DECENT HOME

Before the Senate adjourned yesterday it was in the second day of its discussion of the Ellender housing bill, introduced by the Louisiana Senator with the support of 10 other Democrats and 11 Republicans. Housing bills are always complicated. Their objectives are not. This one proposes "the realization, as soon as feasible, of the goal of a decent home and a suitable environment for every American family." The principles are at least as old as the Wagner Housing Act of 1937. They do not involve an attack on private enterprise. Indeed, the bill says specifically that "private enterprise shall be encouraged to serve as large a part of the total need as it can." Federal loans and subsidies for housing are intended to plug the gap which the private builders cannot fill.

The present bill is a compromise in the number of units which may be built within the next 6 years with Federal aid. The Administration had asked for 1,050,000. This has been scaled down to 810,000. Along with the low-rent building program will go a slum-clearance program. The total cost for the next fiscal year will be about \$185,000,000. Over a course of 40 years, as Federal commitments rise, the average will be about \$308,000,000 a year. This is not a large sum compared with other Federal expenditures. It is small change when put beside the amount of housing for the low-income groups that it can bring into existence.

There is a good argument for undertaking this program now. Building materials are more readily available than they were a year or so ago. The need for decent housing has been urgent since the end of the war. There is particular justice in providing for the veterans of the Second World War, who, during their term of service, had no chance to qualify for housing and little opportunity to save money or get ahead in the world. The Ellender bill would make provision for the veterans and for farmers, whose housing problems have been largely neglected. It would provide for research in a field in which waste and obsolete practices still continue. This is not socialism any more than a post office is socialism—or as much.

We hope that the arguments for action in this field will be put forward when the housing bill reaches the House of Representatives, which was the graveyard of Senate-approved housing bills in 1946 and 1948. This time public opinion will certainly demand that housing be brought out of committee and given a fair chance of passage.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.



The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Neely
Anderson	Hoey	O'Connor
Baldwin	Holland	Pepper
Bricker	Hunt	Reed
Bridges	Johnson, Colo.	Robertson
Butler	Johnson, Tex.	Russell
Cain	Johnston, S. C.	Schoeppel
Chapman	Kefauver	Sparkman
Connally	Kern	Stennis
Donnell	Kerr	Taft
Douglas	Knowland	Taylor
Eaton	Langer	Thomas, Utah
Ellender	McClellan	Thye
Ferguson	McFarland	Tydings
Frear	McKellar	Vandenberg
Fulbright	Magnuson	Watkins
George	Malone	Wherry
Gillette	Martin	Williams
Green	Maybank	Withers
Gurney	Mundt	
Hickenlooper	Myers	

The PRESIDING OFFICER. A quorum is present.

# INTERNATIONAL WHEAT AGREEMENT— REMOVAL OF INJUNCTION OF SE- CRETACY

Mr. CONNALLY. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive M, Eighty-first Congress, first session, a certified copy of the international wheat agreement, in the English and French languages, which was open for signature in Washington from March 23, 1949, to April 15, 1949, and was signed during that period on behalf of the Government of the United States and the governments of 40 other countries, and that the agreement, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER (Mr. FREAR in the chair). Without objection, the injunction of secrecy will be removed, and the agreement, together with the President's message, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

## To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the international wheat agreement, in the English and French languages, which was open for signature in Washington from March 23, 1949, to April 15, 1949, and was signed during that period on behalf of the Government of the United States of America and the governments of 40 other countries.

Because of the necessity, under the terms of the agreement, that instruments of acceptance thereof be deposited by July 1, 1949, in order to bring the agreement into force with a view to its operation during the next crop year, it is my hope that the Senate will find it possible to give early consideration to the agreement.

The purposes and provisions of the agreement are set forth in greater detail

in the enclosed report of the Secretary of State and its enclosures.

HARRY S. TRUMAN.

THE WHITE HOUSE, April 19, 1949.

(Enclosures: 1. Report of the Secretary of State, with enclosures. 2. International wheat agreement.)

## THE COLUMBIA VALLEY ADMINISTRATION

Mr. MAGNUSON. Mr. President, out of order, on behalf of myself, the junior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from New Mexico [Mr. CHAVEZ], the senior Senator from Montana [Mr. MURRAY], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Rhode Island [Mr. McGRATH], the senior Senator from Florida [Mr. PEPPER], the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Alabama [Mr. HILL], the senior Senator from Rhode Island [Mr. GREEN], the junior Senator from North Dakota [Mr. YOUNG], the senior Senator from New York [Mr. WAGNER], the senior Senator from Idaho [Mr. TAYLOR], the junior Senator from Iowa [Mr. GILLETTE], the junior Senator from South Carolina [Mr. JOHNSTON], and the junior Senator from Texas [Mr. JOHNSON], I introduce a bill relating to the Columbia Valley development, and ask that it be received and properly referred.

The VICE PRESIDENT. The message from the President which was received on the 14th instant relating to this subject, and which was ordered to lie on the table at that time, will now be referred to the Committee on Public Works, and the bill introduced by the senior Senator from Washington [Mr. MAGNUSON], for himself and other Senators, will also be referred to that committee, as well as the bills heretofore introduced by the junior Senator from Washington [Mr. CAIN].

The bill (S. 1645) to reorganize and consolidate certain Federal functions and thereby secure their more effective administration by establishing a Columbia Valley Administration to assist in the achievement of unified water control and resource conservation and development on the Columbia River, its tributaries, and the surrounding lands, introduced by Mr. MAGNUSON (for himself, Mr. KEFAUVER, Mr. HUMPHREY, Mr. CHAVEZ, Mr. MURRAY, Mr. LANGER, Mr. DOUGLAS, Mr. McGRATH, Mr. PEPPER, Mr. SPARKMAN, Mr. HILL, Mr. GREEN, Mr. YOUNG, Mr. WAGNER, Mr. TAYLOR, Mr. GILLETTE, Mr. JOHNSTON of South Carolina, and Mr. JOHNSON of Texas), was read twice by its title, and referred to the Committee on Public Works.

The bill (S. 1631) to reorganize and consolidate certain Federal functions and thereby secure their more effective administration by establishing a Columbia Valley Administration to assist in the achievement of unified water control and resource conservation and development on the Columbia River, its tributaries, and the surrounding lands, introduced

by Mr. CAIN on April 18, 1949, was referred to the Committee on Public Works.

Mr. MAGNUSON. Mr. President, there are several other Senators on both sides of the aisle interested in the proposed legislation who would probably like to add their names to the bill as cosponsors. I ask unanimous consent that within this calendar day, if any other Senators wish to add their names, they be permitted to do so.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, the bill which I have just introduced is commonly known as the Columbia Valley Administration bill. It provides for a so-called Columbia Valley Administration somewhat similar to what has been set up for the development of the Tennessee Valley, and somewhat similar to what has been proposed for other great river valleys of the United States, including the Missouri Valley, the Arkansas Valley, the Connecticut Valley, and other great river valleys and river systems.

Mr. President, other bills have been introduced on this subject, and yesterday my colleague, the junior Senator from Washington [Mr. CAIN] introduced a similar bill, and submitted to the Senate an explanatory statement. I read from the RECORD of yesterday the conclusion of his statement, as follows:

In regard to S. 1595, which would approve the Columbia River Basin plans which have been submitted to the President by the Secretary of the Army and by the Secretary of the Interior, I may say that, despite the fact that obviously I have no connection with the administration, I have thought it proper to introduce the bill, partly because no other Senator has seen fit to introduce proposed legislation covering the administration's CVA plan, in order that all the proposed development programs for the Pacific Northwest might be before the committee having jurisdiction and the Congress at the same time.

Mr. President, last week, on April 13 the President of the United States sent to the Congress a very comprehensive message on the proposed Columbia Valley Administration. It was not accompanied by a bill at that time, for the simple reason that a draft had not been prepared of this very comprehensive bill, which must be comprehensive in nature, and in broad terms, because it deals with the whole economy of a great river valley. The proposed draft of the bill was being circulated among various Senators in the hope that those who approved of the President's proposal might join and be cosponsors of the bill. The result is that last week the many Senators whom I have enumerated joined as sponsors of the bill introduced today in the Senate.

At the time the message was sent to the Senate there was also some question in the minds of those of us who looked at the parliamentary procedure, because of the comprehensive nature of the bill, as to just what committee or committees it might be referred. There is some basis for a referral of a bill of this nature



to the great Committee on Interstate and Foreign Commerce of the Senate. There is some basis for a referral of a bill of this nature to the Committee on Expenditures in the Executive Departments. There is other basis for referral to the Committee on Public Works, which probably has a broader jurisdiction over the major parts of the bill than the other two committees. So, after the bill had been circulated among the various Senators who took some time to study it and read it—and, Mr. President, it is a long bill—it was finally agreed that we were ready to introduce it, and it was agreed that we would introduce the bill as soon as possible this week. That was common knowledge among those concerned with this vital piece of legislation, particularly those of us who had the opportunity to read the bill.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall be glad to yield when I have concluded.

But even before that, Mr. President, I took the floor of the Senate, on April 13, the day the message came to the Senate. The majority leader made the observation that the reference of the message should probably be held up until the introduction of this very comprehensive bill. At that time I said, and I am reading from the CONGRESSIONAL RECORD of April 13:

Mr. President, I should like to make an observation in support of the suggestion which has been made by the majority leader. This message will be accompanied by a bill which will be introduced later; but because of the fact that the House of Representatives will take an Easter adjournment, the bill accompanying the message will not be introduced in either the House or the Senate until a week from Monday.

So, Mr. President, I am presenting the bill, containing as sponsors the names of many distinguished Members on both sides of the aisle, who have given a great deal of study to the problem. I announced to the Senate on Wednesday last that a bill would be presented, that an administrative bill would be presented, that the bill was very comprehensive in its nature, and must be studied by those who would want to act as its cosponsors. Distinguished Senators on both sides of the aisle have placed their names on it as cosponsors. I also have asked unanimous consent that many other Senators, who have long been familiar with the problem, who have worked on it for weeks and months, might also add their names on this calendar day.

Mr. President, this session of Congress has been asked during recent weeks to consider many broad and sweeping proposals for the improvement of the national welfare.

I come now to ask prompt and earnest consideration for the measure which I introduced yesterday, which is so clearly within the framework of our democratic way of doing things and which, if passed, will accomplish so much for our national economy, that I cannot but feel it will receive favorable consideration.

Forty years ago the Pacific Northwest was considered by those who gave the matter any thought at all as a remote and rugged spot, with little value to the Nation except as a source of raw materials.

There were too few people in the Northwest at that time to make it an important market. It took a week or better to get there from the East.

Eastern business was interested in the Northwest purely from the standpoint of its timber and other resources which were shipped out in bulk and processed in more populous areas.

In those days, the Pacific Northwest was small potatoes in the "national economy," a phrase, by the way, which was not in common usage or public consciousness.

In the past four decades a great change has come.

The Nation has become increasingly dependent upon mechanical horsepower to maintain the level of production requisite to support its growing population. As the need for mechanical horsepower has increased, the national reserves of oil and coal and natural gas have diminished, and the importance of hydroelectricity produced from the water of our swift rivers has grown in a geometric progression.

This development in the production habits and requirements of our Nation since the turn of the century has at last made the Pacific Northwest a vastly more important factor in our national prosperity.

The Columbia River and its tributaries, flowing through portions of five States, comprise the Nation's largest swift-river system—the Nation's most important source of hydroelectricity.

The proper development of this stream for all its values, therefore, must not be considered merely a local problem, of regional significance only, but a national problem.

In a democracy such as ours, we have a tendency to avoid facing our complex problems until they become sufficiently troublesome to hit us in the face.

That is what happened in the years from 1929 to 1939. The great depression of that time focused public attention on a basic national problem of economics and forced the beginning of an answer.

In those years, the Nation, through its Congress, undertook many solutions. The Tennessee Valley Act was passed, the Bonneville Project Act was passed; the Public Works Administration was established, and provided funds for many huge public projects in the West. All these were aimed, basically, at stimulating our national production for the purpose of providing pay rolls and buying power—for the purpose of a more equitable development of our national resources.

Much of this was done on a frankly experimental and provisional basis. The Tennessee Valley Authority was one such great experiment. The Bonneville Project Act was a similar experiment on a more limited scale.

Now, 15 years later, we can make an estimate of these experiments and we find greater progress and a better balance of economic benefits have been attained in the Tennessee Valley than have been attained in the Columbia Valley. This, coupled with the fact that the Bonneville Project Act was provisional by definition, brings us to the logical conclusion that it is now time to reeval-

uate the Federal policy in the Columbia Valley and to make such adjustments as appear in the light of our experience to be desirable. Accordingly, the Senate now has before it the bill which I introduced today "to reorganize and consolidate certain Federal functions and thereby secure their more effective administration by establishing a Columbia Valley Administration to assist in the achievement of unified water control and resource conservation and development on the Columbia River, its tributaries, and the surrounding lands."

This bill, if enacted into law, will prove, I am confident, of tremendous national benefit.

It is interesting to note that just today the Bureau of Reclamation and Corps of Engineers have announced agreement—among themselves—as to which agency should build what dams on the Columbia and its tributaries. They say:

This agreement provides an inventory and framework which will be extremely valuable to the proposed Columbia Valley Administration, recommended by the President.

I welcome this announcement. It represents recognition, by these two great agencies, of the crying need for coordination of Federal activities in the region. It is a step in the right direction.

The Bureau and the Corps of Engineers indicate, however, that this is not a complete answer—nor is it intended to be—when they say:

The agreement provides for inclusion when proper of appropriate agency's plans for forest management, land treatment, protection and propagation of fish and wildlife, recreation development, material needs and rights of Indians, agency and interagency procedures for interagency operation of river-control projects.

In other words, the Bureau of Reclamation and the Corps of Engineers have gone as far as they can, as two separate agencies, with limited jurisdiction in reaching agreement on what each will do. They, of course, have no authority to go further than issue an invitation to the Forest Service, the Soil Conservation Service, the Bureau of Land Management, the Bureau of Mines, the Fish and Wildlife Service, and others to join them in the effort. It is precisely because of this limited jurisdiction on the part of each Federal agency operating in the basin that an over-all regional administration is necessary.

There are some 30,000,000 potential kilowatts of hydroelectricity in the Columbia River system, of which only 2,000,000 have actually been harnessed.

There are at least 8,000,000 acres of rich but arid lands in the Columbia River basin. Yet only 50 percent of this land actually is being irrigated, and much of it quite inadequately. The 18,000,000 acres of croplands in the Pacific Northwest can be increased by another 6,000,000.

There are 8,000,000,000 tons of immensely valuable phosphate rock deposits in this basin which, if processed into phosphorus fertilizer, could provide relief from decreasing crop yields for about 2,500,000 farmers. Yet these deposits provide only 5 percent of national requirements each year. There are immensely valuable supplies of lead, zinc,



trated in the Missoula, Libby, and Kalispell areas. Mineral-wise, aside from copper which has been highly developed, the area is largely undeveloped. Gold, silver, lead, zinc and copper and manganese offer great opportunities. Overshadowing all these minerals at this time are the phosphate deposits of the Garrison-Phillipsburg fields—a part of the great western phosphate reserves. The development of these deposits will provide a huge and prosperous industry which will check our present dwindling population.

This region has never lived up to its great development potentials. In 1940, 50 percent of employed workers were in trades and services; 17 percent were in agriculture; 18.5 percent in mining and nonferrous metals industries; 6 percent in forest and forest industries; 4½ percent in construction, and only 4 percent in food and kindred products and manufacturing.

This general lack of development and consequent opportunities for secure livelihood have been reflected in a very small rate of population increase in western Montana, and a definite loss in the State as a whole. Population is now below the 1940 peak in the western part, and in the State as a whole there has been a 12-percent loss of population.

The extent to which resources in western Montana are undeveloped is dramatically demonstrated by considering its hydroelectric power potentials. Today, less than 100,000 kilowatts of installed capacity have been developed. This does not include Hungry Horse Dam, on which construction is starting. Recent estimates indicate that as much as 3,000,000 kilowatts could be installed at such proposed dam sites as Hungry Horse, Libby, Glacier View or Paradise, Canyon Creek, Coram, Ninemile Prairie, Quart Creek, Trout Creek, Noxon Rapids, and Cabinet Gorge. The last dam is actually one-half mile across the Montana-Idaho border.

Inasmuch as power capacity and consumption go hand in hand with industrial and economic development, on this one score alone western Montana cannot be expected to fulfill the promise of its resources until its power potentials are more adequately developed. It will therefore be necessary to accelerate the construction of such projects as Hungry Horse and Libby to make up for this critical deficiency. It will be necessary to build high-capacity transmission lines to bring the power to those centers where the electrical energy can be utilized to process western Montana's forest, agricultural, and mineral resources, thereby stimulating the development of pay rolls in the area.

In conjunction with some of the power developments, abundant water can be provided for new irrigation acreage and for supplemental irrigation. There are at least 150,000 acres in western Montana which could thus be profitably brought into new and better production. Power will help pay for this development and will make it possible to use sprinkler irrigation to a larger extent than now practicable.

Of course, the major ultimate use for hydroelectric power yet to be developed will undoubtedly be found in electro-process industries based on the mineral resources of the area. Most immediately apparent are the potentials of western Montana's phosphate deposits. These are thought to be particularly amenable to treatment into phosphorus chemicals and phosphate fertilizer by means of the electric furnace. However, their utilization has been held back in large measure by the lack of large blocks of low-cost hydroelectric power in proximity to the deposits.

I have already mentioned the manganese and chrome resources of western Montana; there, too, low-cost power in large blocks will permit their use in chemicals and in specialized types of ferro alloys. There are undoubtedly other minerals which could be processed by electric power, but our state of knowledge is very meager; western Montana has been most inadequately explored from a geological and mineral point of view.

Today we find many Federal agencies active in various developmental activities in western Montana. Splendid as their programs may have been in the past, it is my opinion that the scale and direction of the effort have been wholly inadequate to provide the area with the stimulus of full-scale exploratory and research programs on its resources and with the tools which its citizens need. Actually, it is only during the past 6 years or so that the hydroelectric potentials have received much attention from Federal agencies. Today, however, we find at least two agencies actively vying with one another in the formulation of plans and programs for the full-scale development of the Flathead, Kootenai, and Clark Fork Rivers. Hungry Horse Dam is now under construction by the Bureau of Reclamation, but with eventual power sales under the Bonneville Power Administration—both in the Department of the Interior. The Corps of Engineers' Review Report of the Columbia River and Tributaries recommends the immediate construction of Libby Dam on the Kootenai River and recommends consideration of Glacier View Dam. On the other hand, the Department of the Interior opposes Glacier View Dam and, as an alternative, proposes Paradise Dam, which is definitely not recommended by the Corps of Engineers and is opposed by local interests. I call this to the attention of the Senate to show that the conflict in jurisdictions and judgment is already beginning in the first stages of what will be a major resource-development program. Judging from experience elsewhere in the Pacific Northwest, this is only the beginning of what may be expected: how many fish-versus-dam controversies are we to expect in western Montana? How many separate, distinct, and costly investigations are we to expect on every phase of development? To what extent can we expect departmental considerations and Bureau of the Budget reviews to reflect the urgent needs of the area, instead of bureau jurisdictions and absentee judgments in Washington?

Western Montana needs an integrated program of collaborating Federal activities, meshed closely with State and local effort. We need a well-knit program of geological and mineral investigations, closely coordinated with programs of hydroelectric development. We must have a program of water and land development so harmonized that we can secure fullest benefits from flood-control reservoirs without sacrificing fertile acres of land. We must see to it that our forest reserves are utilized to the full, and yet on a sustained yield basis. Our agriculture will only flourish if soil conservation is practiced, and ample supplies of fertilizer are provided to maintain soil fertility. All these desirable features of development are well recognized Federal functions. What we need is to make sure they are harmonized and meshed together effectively, and that they respond closely at all times with the ideas of local people, and of their local agencies.

I am convinced that the principles involved in the President's message on CVA are plain common sense. And it therefore seems to me that this Congress has an obligation to consider these objectives and to respond to them in a direct manner. To do less will be to deny this western section of the Nation the right to efficient Federal services, and hence the right to develop its potentials. As a Nation, we cannot afford to let any one section of the country languish, particularly one so rich in potential promise.

I therefore express the hope that this proposed legislation will be given early and favorable consideration, to the end that this great program may be carried into effect without delay.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. HUMPHREY. Mr. President, I rise for the purpose of saying a few words in regard to Senate bill 1070, the housing bill, which is now before the Senate, and which I trust will soon be voted upon.

I make these observations because of certain communications which have come to my office from the mayors of some of the larger cities in the United States. I have before me a series of telegrams and letters from the mayors of approximately 60 major cities. Each and every one of the telegrams and letters brings to the attention of the Congress the importance of the pending housing legislation. These telegrams and letters further emphasize what the housing legislation will mean to the municipalities and the local communities in terms of better living, sounder finance or tax bases for the communities, and a better social environment.

Mr. President, I should like to make a few observations in regard to Senate bill 1070.



First I wish to call the attention of the Senate to the policy which will be established when this bill is enacted, and to the national housing objectives as outlined in the bill. I think it very important that we consider the full policy and statement of objectives, rather than confine our attention solely to titles I and II, which refer to slum clearance and to the public-housing features of the bill, respectively.

I read from the statement of policy contained in the bill:

The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

I mention this, Mr. President, because all too often in the general observations on the bill we are led to believe that it is nothing but a public-housing measure. As a matter of fact, this is a comprehensive bill which applies to all areas of our economic life, and certainly applies to all types of housing.

Further, Mr. President, at this point I wish to place particular stress upon the two titles of the bill: Title I, dealing with slum clearance; and title II, relating to low-cost public housing.

I make reference to these titles because just prior to my service in the Senate of the United States, it was my privilege to serve as mayor of a rather large city of approximately 500,000 persons; and during my service as mayor, I attended the conferences of the American Municipal Association and of the United States Conference of Mayors. I well recall that at each and every one of those annual conventions, as the mayors and other public officials gathered to discuss their mutual problems, the problem which stood foremost before every public official was the great housing problem, which of course was seriously aggravated by the war, and grew in proportion each and every day following the war.

In view of my personal acquaintanceships with a number of the public officials of the country, I took the opportunity to send a telegram to approximately 60 of my friends and acquaintances and associates, as follows:

WASHINGTON, D. C., April 11, 1949.

Senate bill 1070 providing urban redevelopment, public housing, farm housing, and housing research scheduled before Senate this week, probably Wednesday. For use in floor debate, would appreciate wire from you concerning housing shortage in your city and estimated need for low-cost public housing. On basis of your experience, can you give me also statement regarding effect of slum clearance and public housing in your city with reference to health, fire, and police costs, and any information regarding effect on juvenile delinquency. With appreciation.

Senator HUBERT H. HUMPHREY.

Mr. President, I should like now to read, for the purpose of the RECORD, and also to demonstrate to my former colleagues that their messages to me did not come unnoticed, a few of the telegrams I received in response to the one I sent. For example, I hold in my hand the following telegram from Mr. A. P. Kaufmann, mayor of St. Louis, Mo.:

ST. LOUIS, MO., April 14, 1949.

Hon. HUBERT H. HUMPHREY,  
Senate Office Building,

Washington, D. C.:

City administration of St. Louis urges early and favorable action on Senate bill 1070. Our public housing program originally envisioned 12,000 dwelling units. But only 1,100 have been built. Site has been acquired, ground cleared, and legal obstacles removed for another project to house 550 low-income families. Only barrier is lack of Federal funds. Over-all housing situation here still critical. Slum clearance is also mandatory. More than one-third our dwelling units constructed before 1900. City plan commission estimates that our slum and blighted districts cost city \$4,000,000 a year. This figure represents difference in cost of various municipal services and tax yield from such districts. From both humanitarian and economic viewpoint slums are bad business. Respectfully refer you to my testimony before joint congressional Committee on Housing, October 24, 1947. What I said then is just as true today.

ALOYS P. KAUFMANN,

Mayor.

Mayor Kaufmann represents a great city, the city of St. Louis. He speaks, as I think most municipal officials do, with a close and intimate knowledge of the needs of his people.

I also have before me a telegram from Clarence G. Miles, mayor of Lincoln, Nebr. I think his is an interesting observation, because Nebraska is considered to be one of the rural Midwestern States:

LINCOLN, NEBR., April 14, 1949.

Senator H. H. HUMPHREY,  
Senate Office Building,

Washington, D. C.:

Replying to your telegram of April 11 regarding public housing. Local housing authority of Lincoln has applied for 700 low-rent public units. 1940 census showed 7,000 substandard dwellings in Lincoln. A housing shortage exists here particularly in middle-class income bracket.

CLARENCE G. MILES,  
Mayor, City of Lincoln, Nebr.

The mayor of Lincoln, Nebr., points out particularly the need in that connection.

Mr. President, I also have before me a telegram from Mayor Bernard J. Dowd, of Buffalo, N. Y. Without reading all of his telegram or all of the other telegrams, because obviously to do so would be to impose upon the time of the Senate, let me read a portion of it:

Reaffirm local authority estimate of minimum need 5,000 additional public low-rent units as presented to Federal Public Housing Administration in 1945. Cannot house all low-income families in public developments. Am hopeful private enterprise will make some advance in this field.

So he calls to our attention the need for at least 5,000 additional public low-rent housing units.

Mr. President, I ask consent to have the entire telegram printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BUFFALO, N. Y., April 14, 1949.

Senator HUBERT H. HUMPHREY,  
Senate Office Building,

Washington, D. C.:

Reurteil regarding S. 1070 and Buffalo housing need. Housing inventory and population end of 1948 shows 14,000 families in excess of total dwelling unit. Estimated 30,000 families living in substandard areas of which estimated 14,000 within incomes too low for known private housing market. Local housing authority operates 2,570 permanent low-rent units. One hundred percent occupied. Average annual income tenants taken in last 6 months, \$2,004. More than 6,000 applications on file. Reaffirm local authority estimate of minimum need 5,000 additional public low-rent units as presented to Federal Public Housing Administration in 1945. Cannot house all low-income families in public developments. Am hopeful private enterprise will make some advance in this field.

BERNARD J. DOWD,

Mayor.

Mayor Cartwright, of the city of Galveston, Tex., likewise brings to our attention the importance of this legislation. Here I think is quite an important statement on the part of Mayor Cartwright. He says:

Housing shortage still acute here especially large low-income families. Urgently need 2,000 or more low-rent units. Slum clearance and public housing as in 1070 would certainly improve general health conditions, fire hazards, end crime incidence. Juvenile delinquency would receive staggering blow under improved family living conditions. Present program proves these points. Bill badly needed, we urge quick passage.

I make note of the fact that these two gentlemen are mayors of cities, representing people of both political parties. They are primarily community-minded citizens. Many of the mayors are elected on a strictly nonpartisan basis. Many of them came into public office, as I found out as a former mayor of a city, not under a Federal program of slum clearance or of public housing, but with a feeling that such a program represented Federal interference and imposed some kind of Federal restriction. But, to a man, I do not know of a single one, after he has served his municipality for a period of a year or even a few months, who has not come to the conclusion that the program as outlined in the Senate bill is absolutely essential.



I call to the attention of Senators the telegram from the mayor of Fresno, Calif., and one from the mayor of Dallas, Tex. The mayor of Dallas, in a very extensive telegram, has pointed out:

Dallas has five low-rent housing projects, operating from 5 to 9 years; and one low-rent PWA project operating nearly 12 years. These projects have cleared bad housing areas. Have been a stimulating influence toward betterment of surrounding areas, have materially contributed to reduction in disease, fires, crime, and juvenile delinquency due to elimination of basic causes. Existing slum areas in Dallas require in excess of \$3 for each tax dollar paid for municipal services which necessitates excessive expenditure of funds derived from other areas.

I could cite many other telegrams. In each one the mayor points out that actually each slum area requires an excess of \$3 of city expenditure for each tax dollar the municipality gets back. One of the arguments which has been used against Federal assistance in housing is the cost to the Government. The pending bill contemplates a sizable sum of money, exceeding well over a billion dollars. I think it can be conclusively stated without fear of successful contradiction, that for every dollar the Federal Government puts into slum clearance and into public housing, at least another dollar will be saved in local taxes, at the local level, in the respective communities of America which will be served.

I know that in my city of Minneapolis, Minn., we found out that the social service costs and the police and fire service costs were from 8 to 15 times more in slum areas than they were in what may be called decent, livable housing areas.

Every major city of the United States, without exception—I know of not one—is concerned today with a serious financial problem. What is the nature of this financial problem? An inadequate tax base is the first aspect of it. Secondly, many cities are circumscribed by legal requirements of their State legislature, which prevent them from raising necessary funds. But the real nub of the problem is that the cities have rotted from within, as the distinguished Senator from Illinois so ably pointed out this morning, that every major city in America today has a blighted or slum area which for all practical purposes is a cancer upon the economic situation, an economic cancer which is literally consuming the ability of the municipalities to provide decent municipal services.

To continue with the list of some of the mayors who have been so kind as to indicate their preference for, and support of, the bill S. 1070, the mayor of Gary, Ind., Mayor Schwartz, has called to our attention the importance of this bill, in these words:

Gary needs a minimum of 500 low-rent, public-housing units to empty the basements, attics, and other substandard, unhealthy places occupied by families of low income. Comparative figures conclusively show that police, fire, health and sanitation department cost less per family in our public housing than in our slums. Independent study shows that there are fewer criminals, fewer illegitimate children, fewer juvenile cases, fewer broken marriages, better school grades, and better workers in families rehoused in public housing than those in our slums. I urge the passage of Senate bill 1070.

The mayor of Atlanta, Ga., in a very cogent telegram calls for passage of the bill.

There are telegrams from the mayor of Phoenix, Ariz.; the mayor of Jersey City, N. J.; the mayor of Bristol, Va., and the mayor of Syracuse, N. Y. I think it is quite significant that Mayor Costello, of Syracuse, N. Y., says in his telegram:

Our public housing project—

The one they have now in Syracuse—developed with Federal aid replaced some of the worst slums of the city definitely reducing health, fire, and police cost. Study of effect of juvenile delinquency indicated substantially lower delinquency in project than in adjacent blighted areas.

FRANK J. COSTELLO,  
Mayor of Syracuse.

I have a telegram from the mayor of Vancouver, Wash. The mayor of San Francisco has called to our attention that a San Francisco real estate survey revealed approximately one dwelling of every six was substandard, and he calls upon the Senate to pass the bill S. 1070.

I have a telegram from the mayor of Paducah, Ky., which certainly should be of some concern to the Senate of the United States.

The mayor of Kansas City, Mayor William E. Kemp, has brought to our attention specific facts which I think are worthy of consideration. Mayor Kemp says that Kansas City's blighted areas cost the city approximately 45 percent of city service costs, 45 percent of the entire municipal budget, and contribute only 6 percent of the real estate tax revenue.

It is estimated that 33 percent of the Kansas City population resides in blighted areas, which account for 5 times the city average of TB cases, 6 times the juvenile delinquency cases, 3 times the fire calls, and 10 times the police calls above the city average.

I have a telegram from the mayor of Providence, R. I.

Mayor Albert D. Cash, of Cincinnati, Ohio, has called again upon the Congress of the United States, as he has at other times, for this type of housing legislation.

The mayor of Detroit, Mich., one of the major cities of the country, speaks particularly of title I. In his telegram, he says:

Slum-clearance program essential to preserve city's tax base. City plan commission has designed 2,520 acres in need redevelopment. Present annual average tax revenue, \$864 per acre. If privately redeveloped would yield \$2,304. Increase would pay city's third net project costs in 10 years. Public housing 10 percent shelter rent in lieu would amount \$700 per acre.

What the mayor is pointing out is that even public housing with gifts of this kind, in lieu of taxes, would yield more than double what the city of Detroit is receiving from the slum areas at the present time.

The distinguished Senator from Illinois [Mr. DOUGLAS] this morning referred to the progressive city of Milwaukee and to its blighted areas. I think the telegram from the mayor of Milwaukee is very significant. He says:

Without Federal aid it is impossible to build housing for those families which are low income. In 2 weeks' time received almost 4,000 active applications for 578 units of veterans permanent housing, also have re-

ceived almost 1,000 applications for 232 low rent slum clearance units. City has almost exhausted its own resources in building veterans permanent housing.

Seventeen thousand veterans applications on file with Red Cross bureau, approximately 30 percent of city is blighted.

A city of the size of Milwaukee surely has a problem.

Mayor Begley, of Schenectady, N. Y., has called to our attention the importance of this problem.

The mayor of Denver, Colo., Mayor Newton, says:

Denver housing shortage for low-income families still critical. Active applications with Denver housing authority indicate an immediate need for 3,000 low-rental units. Our experience clearly shows that slum clearance is vital factor in curbing delinquency and improving sanitation in Denver as well as substantially reducing the cost of fire and police protection.

The mayor of New Orleans, Mayor Morrison, says with reference to Senate bill 1070:

Housing shortage has always been with us. Believe Senate bill 1070 will materially assist New Orleans to improve public health and reduce the cost of all municipal services.

Mr. President, in order to conserve the time of the Senate, I ask unanimous consent that the names of the mayors who sent letters and telegrams favoring Senate bill 1070 be printed in the RECORD. There are included the mayors of Philadelphia, Pittsburgh, Seattle, Los Angeles, Hartford, Minneapolis, Boston, and many cities in categories of smaller populations.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Seattle, Wash., William F. Devin, mayor.  
Dallas, Tex., James R. Temple, mayor.  
Galveston, Tex., H. Y. Cartwright, Jr., mayor.  
Fresno, Calif., Glenn M. Devore, mayor.  
Gary, Ind., Eugene Schwartz, mayor.  
Atlanta, Ga., William B. Hartsfield, mayor.  
Phoenix, Ariz., Nicholas Udall, mayor.  
Jersey City, N. J., Frank Eggers, mayor.  
Bristol, Va., T. W. Preston, mayor.  
Syracuse, N. Y., Frank J. Costello, mayor.  
Vancouver, Wash., Vern Anderson, mayor.  
San Francisco, Calif., Elmer E. Robinson, mayor.  
Paducah, Ky., Victor C. Hobday, city manager.  
Kansas City, Mo., William E. Kemp, mayor.  
Providence, R. I., Dennis J. Roberts, mayor.  
Cincinnati, Ohio, Albert D. Cash, mayor.  
Detroit, Mich., Eugene I. Van Antwerp, mayor.  
Milwaukee, Wis., Frank P. Zeidler, mayor.  
Schenectady, N. Y., Owen M. Begley, mayor.  
Denver, Colo., Quigg Newton, mayor.  
New Orleans, La., Delesseps S. Morrison, mayor.  
Pittsburgh, Pa., David L. Lawrence, mayor.  
Philadelphia, Pa., Bernard Samuel, mayor.  
Seattle, Wash., William F. Devin, mayor.  
Los Angeles, Calif., Fletcher Bowron, mayor.  
Hartford, Conn., Cyril Coleman, mayor.  
Boston, Mass., James M. Curley, mayor.  
Newport, R. I., Edmund W. Pardee, mayor.  
St. Petersburg, Fla., B. B. Blackburn, mayor.  
Newbern, N. C., E. H. Wood, mayor.  
Baltimore, Md., Thomas D'Alesandro, Jr., mayor.  
Little Rock, Ark., Paul E. Parks for Sam Wassell, mayor.  
Miami, Fla., Robert L. Floyd, mayor.  
Memphis, Tenn., Watkins Overton, mayor.  
Charlotte, N. C., H. H. Baxter, mayor.



Newport, R. I., Edmund W. Pardee, mayor.  
 Atlantic City, N. J., Joseph Altman, mayor.  
 New York, N. Y., William O'Dwyer, mayor.  
 Nashville, Tenn., Thomas L. Cummings, mayor.  
 Knoxville, Tenn., J. W. Elmore, Jr., mayor.  
 Lexington, Ky., Tom G. Mooney, mayor.  
 Norfolk, Va., C. A. Harrell, city manager.  
 Savannah, Ga., Olin F. Fulmer, mayor.  
 Newark, N. J., Vincent J. Murphy, mayor.  
 Raleigh, N. C., Roy S. Braden, city manager.  
 New Haven, Conn., William C. Celentano, mayor.  
 Minneapolis, Minn., Eric G. Hoyer, acting mayor.

Mr. HUMPHREY. Mr. President, I heard this morning the distinguished junior Senator from Washington [Mr. CAIN] make a comment regarding the necessity for a unit of substandard housing being demolished every time a unit of public housing is constructed. I desire to say in reference to his statement that I concur with the ideal which has been expressed, but I think it is very important that we clearly understand the nature of the particular proposal. The Housing Act of 1937 did not provide for community development and redevelopment as does Senate bill 1070. The Housing Act of 1937 was basically a public-housing act. This particular bill incorporates within its context a specific provision which is pointedly directed at slum clearance. The purpose of slum clearance is not necessarily in connection with public housing, but it is slum clearance within the jurisdictional limits of a municipality to provide private redevelopment. Let it be quite clear that municipalities cannot live on public housing. Public housing meets a humanitarian need; public housing may meet a social need; but municipalities which are required to pay for education, health protection, sanitation, police and fire costs and to take on more burdens because of greater population, cannot live on the rents coming from public-housing projects. Therefore, to my way of thinking, as mayor who has for 3½ years battled the problem of the housing shortage and seen a city, block after block, being consumed by blight and by slum areas, the most important title in this particular bill, the one which will do the most for municipalities and, in the long run, will do the most for the citizens of the community, is title I, which provides for community development and redevelopment, which offers financial assistance to municipalities for planning, and to expand and reorganize business districts, parks, and recreation areas. We cannot ignore the financial requirements of a city. The bill permits and makes available the use of land for private purposes, thereby making it productive from the standpoint of municipal revenues. Title I of this bill is one of the basic answers to meeting municipal financial requirements and needs. It serves the social purpose of cleaning out, or at least making possible the cleaning out, of many very seriously blighted areas in the community.

It should also be crystal clear that any family removed because of the action taken under title I has preference in a public unit. So, what the Senator from Washington is asking for—and it is a

noble and legitimate request, and I truly think he should be commended for bringing it to our attention—is that when we construct a public-housing unit, we destroy a slum unit. While it is not mandatory, I may say to the junior Senator from Washington, it is possible that when we tear down a slum unit in which there is a family residing, that family has preference in a public-housing unit.

What the junior Senator from Washington was asking for was that title II, with reference to public housing, should provide that for every one of the public-housing projects constructed, a similar number of dwelling units in a slum area be demolished. I should like to see that written into the bill, but, as I reminded the Senator this morning, I estimate—and I have talked it over with some of the persons who consult with the Banking and Currency Committee—that it would require an additional \$500,000,000 of grants to get the same number of public housing units, which is a maximum of 810,000 units in 6 years. I should like to see that made possible. In other words, if that additional amount of money could be provided without any serious implications with reference to the bill, if the bill could be passed providing for that additional amount of money, then I say it would be a desirable requirement to write into the bill. But if it should mean failure to pass the bill, if it should mean that because of serious financial limitations of the Government the bill should fail to pass because of providing for the expenditure of that sum of money, then we should rest our case upon the provisions of title I, which is the slum-clearance provision, and title II, which provides for housing projects to be constructed.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON of Texas in the chair). Does the Senator from Minnesota yield to the Senator from Washington?

Mr. HUMPHREY. I yield.

Mr. CAIN. If I correctly understood the Senator, he has estimated it would require \$500,000,000 to demolish, as a maximum, 810,000 units. Is that what the Senator from Minnesota wants us to understand?

Mr. HUMPHREY. The total amount of grants which would be needed in terms of public housing and slum clearance, to buy up land, for example, to tear down houses, and to make the land available for the 810,000 units as replacement, would be approximately, as I understand, \$500,000,000.

Mr. CAIN. It is apparently a guess hazarded by some staff members who admittedly have not had time to go further into the subject. Is that correct?

Mr. HUMPHREY. That is correct. That kind of an estimate would have to be literally a guess, which surely could not be conclusive, because, obviously, it is difficult to estimate the problems confronted in demolition, as we in Washington can well understand in connection with the repairing of the White House. It was not thought that it would be a \$5,000,000 project, but by the time it was

gone into it was found it would be rather expensive. It costs a great deal to tear down, to clear the land, dispose of the debris, and to rebuild.

One of the purposes of title I of the bill is to solicit Federal and private co-operation in connection with the land which has been cleared for sale or for lease for purposes of private redevelopment. I certainly concur in the philosophy which is behind title I of the bill.

Mr. CAIN. Mr. President, will the Senator permit one more question?

Mr. HUMPHREY. Yes, indeed.

Mr. CAIN. The Senator apparently does not believe that under title I there is sufficient money to make the one-for-one provision practicable.

Mr. HUMPHREY. I respond to that question by saying that I do not, because some municipalities have made estimates as to what the costs would be in terms of slum clearance, for making the land available, for reassembling for private construction, and for cleaning. The cost of destroying houses, removing them, and reassembling the land necessary for redevelopment purposes is a rather expensive operation.

Mr. CAIN. I have thought of another question, if the Senator will indulge me one moment.

Mr. HUMPHREY. I yield.

Mr. CAIN. Does the Senator remember how many units of subsidized low-rent housing there are, for example, in the city of Minneapolis?

Mr. HUMPHREY. The city of Minneapolis, being one of the political subdivisions of the State of Minnesota, was never privileged to benefit under the United States Housing Act of 1937. We have one public-housing project, which was constructed under the provisions of the Public Works Administration, I believe in about 1936. I think the junior Senator from Washington would be interested in knowing what the acting mayor of the city of Minneapolis has had to say about that particular project.

Mr. CAIN. I would, indeed, and I think the Senate would.

Mr. HUMPHREY. I quote from his statement, which was sent to me on April 12. The acting mayor is Hon. Eric G. Hoyer. He states as follows:

Between 1,000 and 2,000 low-rent housing units are needed in Minneapolis. The import of the term "low rent" is best exemplified in the statistics of a survey made by the Minneapolis Housing and Redevelopment Authority. The surveyed area included a blighted section on the near north side of Minneapolis. A income group pays \$38 per month rent in this area; B income group pays \$30; and C income group, comprising one-fifth of the entire group, pays \$21 a month.

However, slum clearance cannot be effected without appropriate plans in hand for the establishment of low-rent housing units in the area cleared. Such a program of clearance and of redevelopment is hamstrung in Minneapolis by the lack of Federal funds. The tragedy of this situation is that substandard dwellings will have to remain to provide shelter. Such inadequate shelter has always been the breeding ground of juvenile delinquency. Families who live in such homes are highly susceptible to disease, just as they also become susceptible to criminal activities. Poor housing leads in part to increased cost in maintaining penitentiaries.



This is the point which I wanted to emphasize, and to call to the attention of the junior Senator from Washington:

Statistics on the Sumner Field housing project—

Which is a public-housing project—

show that since the establishment of the project the number of fires in the area decreased one-third. Dollar loss per fire decreased between 1940 and 1948 to \$36 per fire, as compared to \$193 in the area previous to redevelopment. Police cost in the area dropped 90 percent. Professor Stuart Chapin, of the Department of Sociology at the University of Minnesota, in his survey of the project in 1940 pointed out that people living in the Sumner Field units developed twice as much social participation in the civic affairs of the neighborhood and city. This increased not only the moral tone of the city but the lives of these people. This comparison was made in terms of the people occupying substandard shelter in surrounding blighted areas.

The need for low-rent housing should be considered primarily in terms of the American principle of preserving American family life.

Mr. CAIN. One further question. If these grants and loans are made available, using Minneapolis as an example, in the Senator's opinion would the mayor construct the subsidized low-rent units on land which had formerly consisted of slums, or would he, as will happen in many places, select land which is already cleared and available for the construction of such projects? If the latter course is followed, what happens to the continuing life of the slum dweller in Minneapolis, which is no different, in that sense, from any other American city? How are we to get rid of those slums at the earliest possible moment?

Mr. HUMPHREY. I wish to make this observation in reply to the remarks of the Senator from Washington: There is a temptation, in view of the reduced costs of construction, to build a public housing project on what we might call clean land.

Mr. CAIN. That is correct.

Mr. HUMPHREY. There is a temptation, in other words, without a specific prohibition against it, to leave the slums, and to go to clean land, just as other developments do.

Mr. CAIN. We are in complete agreement that that is all too likely to happen.

Mr. HUMPHREY. But I submit to the junior Senator from Washington that the reason why that temptation has been a reality in the past is that there was no specific provision for Federal funds, or for State and local cooperation, for the cleaning out of blighted or slum district areas, such as is provided by title I of the bill. That is why I say the bill is so much more comprehensive than anything we have ever known in our past experience.

Mr. CAIN. In that sense, I agree with the Senator.

Mr. HUMPHREY. We must look to the mayors and the governing bodies of our cities. By the way, every one of the plans must be approved by the governing body, not merely by the local public housing administrators, who are appointed, but by the governing body, which is elected. There is a different response from people who are appointed

than from those who are elected. Every one of the plans must be approved by the governing body of the elected officials.

I submit to the junior Senator from Washington that municipal officials are under tremendous pressure from every conceivable interest in their municipalities to ease the tax burden. There is not a city in this Nation today that I know of—and I have tried to keep somewhat abreast of municipal finance—that is not staggering under the load of its municipal financial burdens, primarily because of the fact that the real-estate taxes it has to collect come from such a limited area because of the blighted areas and slum conditions.

Every municipal official is looking for the opportunity to get some tax-yielding property within the jurisdictional limits of the municipality. They are watching warehouses being erected across the line, they are watching housing developments taking place just over the river, beyond the jurisdictional limits of the city. What the city officials are interested in is in being able to provide a project within the municipalities which is properly planned, properly zoned, properly protected in terms of public facilities and health, which will be available for construction by private enterprise.

Mr. CAIN. Let me suggest that from my point of view there should be included in the pending bill a provision commonly referred to as being one unit of slum housing removed for one unit of good housing constructed. Then I think we would be in a position to make certain that not only would the municipal officials hope to build up the interiors of their cities, but by law they would be required to give that prime consideration.

Mr. HUMPHREY. I do not think anyone can find grounds of dispute with the moral and idealistic position the Senator is taking. There is no doubt that is what should be done.

I merely wish to place before the Senator a statement as to the increased costs which would necessarily be involved. I do not want anyone to accept the figures I have placed before the Senate, because I am confident that they should be studied, but there is no doubt at all in my mind that there would be a substantial increase in costs.

The great question before the Senate is whether if we should include the increased cost, we would get any kind of a bill. I do not wish to seem too pessimistic, because I know the bill has wonderful sponsorship. It is very pleasing to know that the problem of housing in America has been taken out of the realm of what we may call partisan politics. The bill has joint sponsorship on the part of both political parties. It has sponsors from all sections of the Nation.

I am concerned about the fact, however, that we are called upon for Federal aid to education; we are called upon for Federal aid to public health; we have the Marshall plan, the ECA authorization and the appropriation, we have a heavy Government budget, and the Veterans' Administration expenses; we have all these things which are positive requirements upon the Congress. If the

choice is between no public-housing bill and a public-housing bill which does not provide the mandatory procedure, then I am for Senate bill 1070, because in that bill is provided the mechanism which at least can further the elimination of slums, and which does offer protection to families in slums where the slums are cleared out, because preference is given to such families in public-housing units.

I hope that other Senators feel as I do, that if we cannot get what we are seeking as the ideal proposition, this is the kind of bill which takes into consideration private interests, public interests, basic municipal needs, and also, as I may point out, in title I of the bill, this attacks another basic problem the modernization of building codes and the use of better building materials and techniques in new construction. Likewise in the bill, we are not unmindful of the needs of farm housing, and in many areas of the United States improvement of farm housing is just as important and vital as municipal housing, about which we are now talking.

Mr. MORSE. Mr. President, will the Senator yield for a few brief questions?

Mr. HUMPHREY. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Did the Senator from Minnesota hear the magnificent speech delivered earlier today by the junior Senator from Illinois [Mr. DOUGLAS]?

Mr. HUMPHREY. I certainly did.

Mr. MORSE. Did the Senator from Minnesota hear the Senator from Illinois, in the course of his speech, invite Members of the Senate to make a slum inspection tour this afternoon to environs within three, four, five, and six blocks from the spot where the Senator from Minnesota is now speaking?

Mr. HUMPHREY. I did.

Mr. MORSE. The Senator from Minnesota was unable, was he not, to attend that inspection tour because of a meeting he had to attend?

Mr. HUMPHREY. I may say to the Senator from Oregon that the Senator from Minnesota took the inspection tour last week. I covered the areas in the city of Washington which the junior Senator from Illinois has talked about. I had my eyes opened to the conditions existing in the alley just beyond the Senate Office Building. The front looks pretty good, but the inside is rather bad.

Mr. MORSE. That will be very helpful to the junior Senator from Oregon in asking the questions he now wishes to put to the Senator from Minnesota. It is not the intention of the Senator from Oregon to take the time of the Senate to make a speech on this deplorable situation, but he does think it important that the great speech of the Senator from Illinois made earlier today be reinforced a bit this afternoon by a question and answer period, shall we say, for the purpose of the RECORD.

Is the Senator from Minnesota aware of the fact that within a distance of six short blocks of this building, the Capitol Building of the United States, we can go to a spot where in one room, a room not larger than 12 by 12, ten people live and sleep, if it can be called living, obtaining whatever water supply they can



get from a faucet in a back yard, without there being in the domicile in which they live either electric light or heat or water or any of the sanitary facilities which the Senator from Minnesota and I know are essential to the maintenance of health? Is the Senator from Minnesota aware of the fact that that condition exists within six blocks from this building?

Mr. HUMPHREY. I am happy to report that the junior Senator from Illinois [Mr. DOUGLAS], who is a great educator as well as a great Senator, took me into his confidence in the days prior to the discussion of this bill, and discussed with me the existence of many of the blighted areas of the city of Washington. I am likewise happy to report that the distinguished executive director of the conference of mayors, Mr. Paul V. Betters, called these areas of the city to my attention, and I did make a tour of the city. I did not visit the particular areas the Senator from Oregon is talking about, or the particular residences, but I think I am somewhat acquainted with the deplorable conditions which exist in the Nation's capital, literally in the shadow of the dome of the Capitol Building.

Mr. MORSE. In the tour of the Washington slums which the Senator from Minnesota took did he find conditions such as I now shall describe: For example, a shambles of a four-room house in which from 16 to 25 people live, without running water or sanitary facilities or heat, and having in the back yard, littered with refuse, a faucet, and such facilities that a mere view presents real evidence as to their being a health menace?

Mr. HUMPHREY. Yes, such conditions are prevalent in the Nation's Capital. I may say that I am quite confident that the Senator from Oregon does not have to go six blocks to find such conditions. We can go, as the distinguished junior Senator from Illinois pointed out, less than 100 yards from the entrance of the Senate Office Building and find deplorable conditions.

Mr. MORSE. Does the Senator from Minnesota wish to state for the RECORD that the type of housing facility I have just described is not limited to one or two dwellings, but in the radius of a few blocks from the Capitol dome there are scores and scores of such dwellings?

Mr. HUMPHREY. I am sure that the appropriate answer would be to say that there are not only hundreds, but thousands of such dwellings in the Nation's Capital. And the pattern here, I may say to the Senator from Oregon, is the pattern in every major city of the United States of America. Despite the attempts of "Baltimore plans" to clean them up, in spite of attempts of municipal officials to enforce ordinances pertaining to fire and health protection, despite all attempts, there is no way to meet the problem of the slum except to eradicate it. It cannot be tampered with or fooled with. The slums must either be cleaned out, or they will clean us out over a long period of time.

Mr. MORSE. Does the Senator from Minnesota agree that Congress, after all,

has some direct responsibility for the slum conditions which can be found within the immediate environs of the Capitol Building itself?

Mr. HUMPHREY. I am surely aware of the fact that the Congress has unique responsibility for the District of Columbia. I should like to point out, however, that while I am, of course, appreciative of the splendor of the District of Columbia and of the fact that it was well provided for by the founding fathers, yet the Congress of the United States has equal responsibility for the protection of the general welfare of all the people of the United States of America, and not merely the residents of the District of Columbia.

Mr. MORSE. Is the Senator from Minnesota, as I am sure he must be, aware of the fact that the slum dwellings which I have just described are good revenue-producing income property for the owners thereof?

Mr. HUMPHREY. I am familiar with that fact. I should like to cite, for the Senator from Oregon, this example: As the mayor of my municipality I ascertained that in a period of 10 years, from 1937 to 1947, the board of public welfare of the city of Minneapolis paid out \$5,000,000 in rents to house people who were on public relief; that they were housed in accommodations which were literally unfit for human habitation; and that many of these accommodations had paid for themselves not once but twice and three and four times, in terms of the income derived by the owners.

There is no particular piece of property, on the average, which is more productive for those who are able to exploit the last nickel out of it than slum property. In a period of a housing shortage, perhaps even during a period of depression, when people cannot pay good rents for good homes, and oftentimes become in need of public assistance, the public assistance bodies in their need for economy all too often rent these low-grade facilities.

I am perfectly convinced in my own mind, I may say to the distinguished Senator from Oregon, that one of the major groups of pressure and resistance to the kind of legislation which is being proposed here today, and which I pray will be enacted consists of persons who have been able to make a rather lucrative profit out of their holdings of submarginal, substandard, blighted housing which is literally forced upon the people if they are going to have any place in which to live.

Mr. MORSE. Mr. President, does the Senator from Minnesota agree with me that those who own such property and who insist, in the name of property rights, on an alleged right to continue to rent such property in fact abuse the purpose of the capitalistic system?

Mr. HUMPHREY. I should like to make this observation: I do not believe that anyone has the right to insist upon the use, in terms of commerce or business activity, of a facility, a piece of property, or any kind of an institution which is detrimental to the public health, the public morals, the public safety, or the public welfare. Surely blighted hous-

ing, slum housing, stands guilty of tearing down the moral fabric and structure of our society. It is uneconomic, in that it consumes three or four times as much as it produces, and it surely is not conducive to family welfare or to human dignity. Measured by every factor and every measurement that can be applied to it, it is an abuse of what we may call property rights to talk about being able to continue to use it for business purposes, in the name of free enterprise or in the name of property rights.

Mr. MORSE. Is the Senator from Minnesota aware of the fact—as I am sure he must be—that a great many of the wretched dwellings I have described, within a six-block radius of the Capitol, have been condemned, in some instances for several years, and that the courts of the District of Columbia are constantly granting extensions because there is no other place to accommodate the occupants of the condemned houses?

Mr. HUMPHREY. I am aware of that fact; and I am aware that the same conditions prevail in other municipalities.

Mr. MORSE. Is the Senator from Minnesota aware of the fact that, especially during the hot months, the physical occupancy of such houses becomes so unbearable that the occupants seek the parks and sleep on God's green grass, and that a law in the District of Columbia denies to them the right even to sleep in the parks, but forces them either to go back to those wretched rooms or else sleep in the back yards, which are littered with filth and refuse?

Mr. HUMPHREY. I have heard that. It was brought to my attention by those in the District who are much interested in home rule and other progressive plans.

Mr. MORSE. It was brought to our attention this afternoon by officials of the Health Department of the District, as well as sanitation officials.

Did the Senator from Minnesota, on his tour of the slum conditions within a six-block radius of this building, also observe several small public-housing projects?

Mr. HUMPHREY. I did.

Mr. MORSE. Has the Senator from Minnesota heard the very common argument that if those people are moved out of wretched hovels into decent houses it will be only a matter of time before the decent houses will be reduced to the same level of wretchedness as the slum houses from which they are moved?

Mr. HUMPHREY. I have heard that historic argument. It has been used repeatedly. It is commonly known in academic parlance as the coal-in-the-bathtub argument. The statement is made that the people place coal in the bath facilities. However, I believe that the records throughout the Nation clearly indicate that wherever a public housing project has been developed in a blighted or slum area the public-housing project stands out as a sort of social oasis. It is a beautiful little area within a wilderness of blight and slums.

Mr. MORSE. Does the Senator agree with me that exhibit A in proof of the conclusion which he has just stated can be shown anyone with eyes to see, within six blocks of the Capitol, where on



one side of the street can be seen wretched hovels, and a few feet away can be seen a public-housing project which has been in operation for several years, in which the proof is crystal clear that the result has not been to reduce the public-housing project to the wretched condition of the slum area?

Mr. HUMPHREY. I am convinced in my own mind that public housing is not only a sound investment in terms of economics, but it is a sound investment in terms of human betterment. I have noticed very many illustrations from my own observations. I have visited housing projects in St. Louis, Cleveland, New York City, Philadelphia, and Buffalo. I have seen housing projects in Denver, San Francisco, and Los Angeles. As mayor of a city I made an extensive tour of the major housing projects of the country. I can say from my own observation, without any hesitancy, that each housing project improved the physical environment of the community in which it was established. It improved business conditions in the area. There is a direct relationship between a good housing project and the general condition of the business activity surrounding it. Not only do the housing projects bring about such physical improvements, but as we build decent, clean homes, it seems to do something to the spirit of the occupants. It seems to give them a sense of health. Their children become healthier. Husbands and wives become happier in their relationships. Family conditions are improved. There is not the shadow of a doubt that one of the great factors in the improvement of the social life, the economic well being, and the moral fabric of family life in the blighted and slum areas has been the development and construction of low-cost public-housing units. It literally made them over, and gave the people an opportunity to walk down the streets with dignity and point with pride to the little area which they held as their own.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. The Senator agrees, does he not, that the building of a public-housing project or the clearance of slum areas is itself a part of the educational and conditioning and training process which we must enter into if we are to raise those people from the extremely low level of human existence which is now their plight to a level of healthful, decent living which instills in them at least some hope for a normal life in this capitalistic society of ours?

Mr. HUMPHREY. I surely do; and I am happy that the Senator has introduced the phrase this capitalistic society of ours, because sometimes those who are the opponents of public housing brand this kind of activity as socialism, or some sort of subversive type of activity, when in fact what is being done is to lift up the standard of the people so that they can be successful and healthy participants in the economic society of a free economy.

I do not wish to seem dogmatic. I realize that there are reasonable argu-

ments on both sides of the question; but looking at the problem from the standpoint of one who has been seriously and intimately concerned with it, I have yet to find anyone who is concerned about the spiritual lives of our people, or any members of the clergy, who do not recognize what a slum or a blighted area does to the soul and to the human spirit. One of my clerical friends said to me, "It is easier to save souls when they live in surroundings which are conducive to soul saving."

So far as social workers, police officers, public health officers, and officials of municipalities, counties, or local communities are concerned—those who deal with the intimate personal problems of people—every local official agrees that great benefit is derived from a slum clearance project and from the public housing program. I remind my colleagues that no group of officials are more intimately associated with their constituents than are local officials. Let me say to the junior Senator from Oregon that I do not believe that the arguments of the opposition to this kind of legislation attract very many adherents any longer.

I think the only argument today is with regard to the program within the realm of reasonableness. There are many of us who would like to see many more public housing units. I think the need is crystal clear for many more than are provided for in the bill. There are those who are opposed to this many; but I think the chairman and members of the Committee on Banking and Currency are to be commended for writing into the bill a comprehensive housing program which, as I previously stated, includes recognition of private enterprise in this field, as well as the need for slum clearance, community planning, and redevelopment. It includes housing research, and the breaking down of restrictive practices in obsolete building codes, and deals with the problem of farm housing. I know of no bill which has done more to crystalize the thinking of all Americans who are concerned about the basic approach to the housing problem than this particular bill has done.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator from Minnesota agree with the officer of the District Board of Health who discussed this problem with us this afternoon with respect to the very serious danger of an epidemic of highly contagious disease breaking out within six blocks of the Capitol of the United States? He stated that if such an epidemic should break out, it would not confine itself to that section of the District, but would extend into the high-priced apartments occupied even by Members of Congress in some sections of the city, and would very likely take their dear ones as well as the people living in the congested areas so close to the Capitol.

Mr. HUMPHREY. In my opinion, there is no greater threat to the health of the residents of the city of Washington than the deplorable, unspeakable slum conditions existing in this city, and

I say without fear of successful contradiction that it is a national disgrace that the Nation's Capital, the most beautiful city in the world, at least in its superficial aspects as viewed by persons on conducted tours of the city, should find in its fabric unbelievable slums and blighted conditions. If we do nothing else, we should at least in this great city set the national pattern not only for the elimination of slums and blighted areas but for improvement in other fields, for this city is under the complete control of the Congress of the United States. But lest anyone misinterpret my remarks, let it be crystal clear that the citizens of Memphis, Tenn., of Atlanta, Ga., of Birmingham, Ala., of Jackson, Miss., and of Minneapolis, Minn., are just as important as are the citizens of Washington, D. C.; and I submit that today those cities have been stymied and blocked in their various attempts even to scratch the surface in respect to meeting the housing problem, because of the inability to obtain the necessary funds and the lack of congressional authority to move ahead on a broad housing program.

Mr. President, that is what this bill is all about, and I think we are ready to vote on it. Accordingly I shall yield the floor so that we can reach a vote, unless there are further questions to be asked of me. I simply wished to place in the RECORD the telegraphic responses sent me by a number of mayors following my request of them by telegram to give me their views of their local situations.

Again I submit to the Senate that not one of the mayors of the 60 major cities in the United States which were selected in that cross-section has expressed anything but approval for the type of legislation we now have before us, and each of them has pointed out the imperative need for such legislation so far as his community is concerned.

Mr. MORSE. Mr. President, my last question, if the Senator will yield once more, goes to the policy of having the Government spend public funds for the conservation of human resources, as we find those resources being wasted in our slum areas and thus endangering the health of all the rest of our people. Does the Senator from Minnesota agree with me that if it is sound public policy—as I submit it is—to spend millions of dollars of the taxpayers' money to conserve the natural resources of our country, to conserve the soil of the Nation, to develop even a livestock-conservation program, from the standpoint of bettering the conditions of American livestock, then likewise it is sound public policy for us to spend public funds to try to conserve and better the human resources which we find deteriorating at such a rapid rate in the slum areas of our great cities?

Mr. HUMPHREY. Mr. President, I could do nothing else but concur in the very splendid remarks of the Senator from Oregon with reference to our human resources. In fact, let me say that, although very seldom do we hear any suggestion about curtailing national-defense appropriations—and I believe in them, and I stood for the full authoriza-



tion under ECA—yet the main weapon this country has for its defense is its people. Let me point out that the larger families of the United States, the men and women who oftentimes are called upon to bear the brunt of sacrifice in this Nation, are to be found, in the main—of course, I can make no more than a broad generalization, because there are specific instances which are aside from any general group—in what we call the lower-income families. Those groups in the Nation are entitled at least to be able to meet the economic conditions of their times, without having too many handicaps placed upon them; and one of the privileges which they should have as American citizens is at least the privilege of living in reasonably decent accommodations. I do not think anyone is asking for palaces or for beautiful, big apartments; but we are asking for sanitary, safe dwelling units, with adequate space in which to take care of a family.

Let me emphasize the point of taking care of a family by way of providing rental housing, because one thing which seems to be happening in this country is that if a person has a family and is looking for a place to rent for himself and his family, he will find that children are rather undesirable in the economic market of rental housing facilities. Thank goodness, Mr. President, the program under this bill recognizes the family institution and makes available to the fathers and mothers of the country accommodations for families with children.

I have had some experience with this matter; and nothing is more sickening to a person who has been brought up to believe that our Nation is dedicated to the welfare of boys and girls and the family life, than to find, when looking for a place to rent, that if a person who is seeking rental accommodations has two children, he is not wanted. In many rental units, accommodations are available for married couples with two cats, but not with two children. Thank God, Mr. President, that the public policy of the Congress and of the Government generally is established around the theory that we are going to try to build some kind of housing facilities which will be constructed with walls sufficiently durable to endure family life. If for no other reason, I would favor the enactment of this bill; and I speak with some feeling, after I tried to find a place which I regarded as a desirable one for a family with children to live in.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I should like to ask the Senator a question, in view of the very able statement made yesterday by the Senator from Vermont [Mr. FLANDERS] and also in view of the speech made today by the junior Senator from Illinois [Mr. DOUGLAS] regarding the conditions to which the Senator from Minnesota has also referred, namely, slum conditions in the city of Washington.

Of course, the Congress serves in a dual capacity, both as a national legislature and as more or less a city council for the city of Washington, D. C. Accordingly, I

should like to ask whether it is the view of the Senator from Minnesota that there has been a violation of sanitary ordinances of the city of Washington and also of certain safety regulations, in the existence of the slum conditions to which the Senator has referred; and also whether as a municipal body we, as a Congress, may have been lax in not attacking this problem through the health and safety ordinances and regulations which may be on the statute books?

Mr. HUMPHREY. Mr. President, the Senator from California may be correct. I am not particularly familiar with conditions prevailing in the city of Washington, D. C.; but I imagine they are similar to conditions in other areas. Of course, since the war it has been rather difficult for the local authorities rigidly to enforce local health, safety, and fire-protection ordinances; in other words, to provide the rigid enforcement which goes so far as to say to a landlord, "You must repair the premises, or else all the tenants must leave." After all, it does not make sense to provide such rigid enforcement if the persons who thus would have to leave the rental premises because of a lack of observance of a public health law or a fire-prevention law would then have to sleep outdoors, on the ground. I imagine that some such conditions exist here in the city of Washington, D. C. In fact, I have had some young ladies come to my office and tell me that they are to be evicted from what is known as Arlington Farms, as I believe it is called. Some persons state that ample rental accommodations are available in the city of Washington. If there are adequate rental accommodations available in Washington, I dare say they are in facilities which are not conducive to the kind of environment or social life in which young men and women should be placed.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Alabama?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. The Senator has made a very fine presentation. I know he wants to quit.

Mr. HUMPHREY. I should.

Mr. SPARKMAN. I shall not prolong his discussion, but in that connection I should like to call attention to the fact that the National Capital Housing Authority, over the years it has been in operation, has improved 27 slum squares in the District of Columbia. It has provided good dwellings for 1,091 low-income families on former slum sites. It has provided low-rent dwellings for 882 other low-income families on sparsely settled sites, and for 1,286 low-income families on sites formerly vacant. In other words, a total of more than 3,200 homes has been provided by it, and yet in spite of all that, we see these slum conditions still here, and we see these unsanitary conditions that still prevail over the city, and as the Senator has so well pointed out, what we see here is typical of what we can see in every city and sizable town in the United States of America.

It does not matter how good it looks from the outside. I remember flying into Miami one time to hold some housing hearings, and what a beautiful city it looked from the air and as we were riding through the streets. Imagine my amazement at the hearings when they got to talking about the terrible slum conditions existing in the city of Miami.

The question I want to ask is this: We have had some excellent discussions here today of title I of the bill, slum clearance. I do not think there has been a dissenting voice in all the Senate. Everyone who has had anything to say about it has said, "Yes, by all means we ought to go in for slum clearance." What are we going to do about the people we move out, when we clear the slums, if we do not provide an adequate public housing program to go along hand in hand with it?

By the way, that was pointed up to me this very afternoon. I think the Senator would be interested in this. I am a member of the Senate Office Building Commission, and we have recently condemned a property nearby that includes Schott Alley, one of the slum areas. All the people who live in Schott Alley have had notice to move. A colored man came to me this afternoon and said, "I have a brother who lives there, he and his wife and 10 children, and they have no place to go, and yet there is a court order telling them to go." That could be multiplied by thousands of times and hundreds of thousands of times throughout America. What are we going to do if we clear the slums and do not provide for any public housing to help take care of the people who will be forced to move out of the slums?

Mr. HUMPHREY. I may say to the distinguished Senator from Alabama that the answer is so crystal clear it hardly needs to be stated, that we never will be able to clear the slums unless a place is provided for the people who live there so that great personal sacrifice will not be inflicted upon those who may be affected. Personally, I should say that in a community, let us say, a city like Memphis, Tenn.; or Minneapolis, Minn.; or San Francisco, Calif.; or Philadelphia, where the members of the governing body are elected public officials, they would not dare clear the slums without having a place to house those who are moved out, no matter how poor the new housing may be. That has been the dilemma, I may say to the Senator from Alabama.

Mr. SPARKMAN. As a matter of fact, in the pending bill we provide it shall not be done until they have a place where they may obtain better housing.

Mr. HUMPHREY. That is correct. Also in the bill there is provided, for example, a type of preference. The preference first is that families who are displaced or about to be displaced by public slum clearance or redevelopment projects shall be given first preference to admission to low-cost or low-rent housing; so that title I and title II are supplemental measures—slum clearance, yes; slum clearance with preference in public housing projects for people whose homes



were cleaned away. The only preference above it is veterans' preference.

Mr. SPARKMAN. If the Senator will yield for another brief question, it is this: If we eliminate the 810,000 public-housing units, would there be any need of enacting title I?

Mr. HUMPHREY. Frankly, if we eliminate 810,000 public units, title I of the bill would be totally useless so far as municipalities are concerned.

I had in my hands here, but dropped it, a telegram from the mayor of Detroit. Detroit is undertaking or contemplating a large building program, and it is also contemplating building recreational facilities. The telegram from the mayor of Detroit points out that these projects if completed will necessitate the removal of 10,000 families. He points out in his telegram that they can not complete the projects until public-housing facilities are made available. So it is perfectly obvious that title II is the heart, the meat, the substance, of the entire bill, S. 1070. That is why I said the committee should be commended for the balance they have exhibited in the bill, providing development, slum clearance, community planning, housing research, the breaking down of old, restrictive, obsolete building codes, farm housing, and public housing. I think it is a great step forward. I only hope it will be consummated, and the bill enacted.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TAYLOR. I heard the Senator from Minnesota referring to the difficulty I presume he experienced, in finding suitable accommodations by reason of having children. Did I draw the correct inference?

Mr. HUMPHREY. The inference is correct. The word "difficulty" I may say is a bit on the moderate side.

Mr. TAYLOR. I should like to say to the Senator from Minnesota that I went through all that when I first came to Washington. I thought I might call attention to the fact. If the American people were made aware of it, it might promote a feeling of kinship between the people and their Senators to know that when a Senator is looking for a place in which to live, the Senator's children become so many more kids.

Mr. HUMPHREY. I should like to observe, I hope to live long enough to see the day that we propose legislation for a housing project in which we provide that a tenant cannot get accommodations unless he has children. That might be a good step by way of reversing the present discrimination. I do not mean any reflection upon my bachelor friends here. Of course, we would make special exceptions for those who have lived such a good life.

Mr. LANGER. Mr. President, I have been amazed this afternoon, as I was amazed yesterday, by what some of the Democratic Senators have been saying regarding public housing. I hold in my hand the platform of the Democratic Party, not that of last year, not that of

the previous 4 years, but the platform of 1932. It says in one of its paragraphs:

We believe that a party platform is a covenant with the people, to be faithfully kept, by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

That, Mr. President, was written in 1932. They said they were going to wipe out slums. In their platform of 1936 they also said they were going to wipe out slums. This is the Democratic Party speaking, Mr. President, and I shall show later on how they repudiated every single promise they made in connection with it. Thirteen long, long years ago they spoke of the poor people, who have been so eloquently described by Senators on the other side of the aisle today, who had gone without baths, sleeping 10 or 12 in a room, the smell being so nauseating that it was said it would make one sick. What did they say in 1936? They said:

We maintain that our people are entitled to decent, adequate housing at a price which they can afford. In the past 3 years the Federal Government, having saved more than 2,000,000 homes from foreclosure—

"I may say, Mr. President, that of those 2,000,000 homes very many were saved by Republican governors; all the Democrats did was to follow the plan of the Republican governors; I know because I headed them—

has taken the first steps in her history to provide decent housing for people of meager income. We believe every encouragement should be given to the building of new homes by private enterprise and that the Government should steadily extend the housing program toward a goal of adequate housing for those forced through economic necessities to live in unhealthy and slum conditions.

Mr. President, the House of Representatives was then controlled, 3 to 1, by the Democrats. Over on this side they controlled the Senate 3 to 1. What did they do, Mr. President? Nothing, except to talk, as they are talking yet today. When Mr. Delano was chairman of the National Resources Board he said everything that was said yesterday and today by my Democratic colleagues on the other side of the aisle. The Democrats did nothing. They are the most beautiful talkers on earth, but when it comes to accomplishing something, they have to get the Republicans to do it for them, apparently, especially when it comes to cleaning out slums.

They went on with their idle promises, Mr. President, when they controlled the House of Representatives and the Senate 3 to 1, and they did nothing. I have heard the same kind of speeches to which I have listened today in political campaigns all over the United States of America—what the Democrats would do when they got in office. What do they propose to do about this bill, Mr. President? They propose to spend a great sum of money—\$25,000,000 a year. Believe it or not. They propose to spend that in order to wipe out all the slums. Senators have read telegrams from the mayors of all the big cities all over the

United States. They propose to continue to spend money over 5 years, when they will have spent \$500,000.

What did the Democrats do when they had a chance? It will be remembered that they gave Great Britain \$3,750,000,000 in 1946. Three years ago I offered an amendment which provided that instead of giving that money to Great Britain, each war veteran be given a \$10,000 house for nothing. How many votes did that amendment receive? Eleven, as I remember. So they sent \$3,750,000,000 to England. What were the terms? England was to pay no interest for 5 years, and then, if she should be prosperous enough and decided she could pay interest, she would pay interest at the rate of 2 percent. Today, Mr. President—

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LANGER. I shall not yield at the present time. I should like to finish my remarks. I hope the distinguished Senator will mark his question down, because I want him to ask it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. LANGER. Mr. President, at the very time when, according to President Roosevelt's own relative, who was head of the National Resources Board of the United States, and who said that within two blocks of the Capitol the living conditions were terrible, what did the Democrats do? They proceeded to send money to other nations, to Austria, Belgium, Luxemburg, China, Czechoslovakia, Denmark, Egypt, Estonia, Ethiopia, France, Poland, Germany, Greece, Russia, Hungary, Iceland, Italy, Iran, Iraq, Ireland, Japan, Yugoslavia, Netherlands, Norway, Philippine Islands, Portugal, Turkey, and to the 13 American Republics.

They did not keep their platform pledges, Mr. President. I could take the distinguished Senator from Minnesota [Mr. HUMPHREY] and show him a place within three blocks of the Capitol in which the people occupying it do not have electric lights, or even a lamp. They still use what is used among the sharecroppers down South and in several other places—they light a wick which is dipped in-tallow.

Mind you, Mr. President, the situation I have described has been brought to the attention of the Senate by myself in three separate speeches I have made upon this subject, and for 16 years we have had a Democratic President, but nothing has been done about it. I hope that the new Senators will help us and it looks like they would.

Mr. President, this afternoon I wish to take up the matter of the housing bill as it relates to the farmers of the United States of America. I have very carefully examined paragraph 8 of the report of the Senate Committee on Banking and Currency on the Housing Act of 1949 and in order that the farmers may understand what is being done to them by the Congress, I ask unanimous consent that all of title IV be printed at this point in my remarks, so that they can understand just what is hap-



pening to them at the hands of the Democratic administration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### TITLE IV—FARM HOUSING

##### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings, and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contributions during the said 10-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

##### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of

sections 402 and 403 and that repairs or improvements should be made to a farm dwelling occupied by him, or his tenants, lessees, sharecroppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of \$1,000 for any one farm or dwelling or building owned by such individual, or in excess of \$2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the grant.

##### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 405. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

##### TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.



The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

Sec. 407. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

Sec. 408. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that

there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

Sec. 409. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

Sec. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so pur-

chased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

Sec. 411. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

Sec. 412. In connection with loans made pursuant to section 403, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

Sec. 413. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 411 equal to (1) the aggregate of the contributions made by the Secretary in the form of credits on principal



due on loans made pursuant to section 403, and (11) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$1,000,000 for grants pursuant to section 404 on and after July 1, 1949, which amount shall be increased by further amounts of \$2,500,000, \$4,000,000, and \$5,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

Mr. LANGER. Mr. President, in my opinion paragraph 8 corroborates my statements frequently made that the only time the farmers are consulted by the candidates is a few days before election. Then they are promptly forgotten, until the next election rolls around.

So far as farm housing is concerned in the bill, it might just as well be forgotten because it is utterly and entirely useless to the farmer. We have given away billions upon billions of dollars, and I repeat, we loan England nearly \$4,000,000,000 without charging them any interest for five years, and two percent thereafter. But under the pending bill, if it shall be enacted, the farmer who is so poor that he is unable to buy his own home, unable to buy lumber, or nails, or cement, is to be charged—not to exceed 4 percent interest, double what we charge England, and not to exceed 4 percent interest, as every Senator knows, means a floor of 4 percent.

These loans of 4 percent are made to owners of self-sustaining farms. The report says that these loans would not require a first mortgage on the farm property and could be secured by the farmers' equity in the farm, by the miserable little pittance they have left after they have already given first mortgages on their farms.

Mr. President, what did the Democrats do during the drought? They are running true to form. What they are doing now reminds me of what our Government did before, when it took a mortgage not only on the farmer's farm, not only on his cattle, not only on his machinery, but it took a mortgage on his chickens, and provided that the eggs which the chickens laid were subject to a mortgage. Every single egg had to be accounted for. A farmer near Dickinson, in Stark County, N. Dak., had to report not only as to the cows and stock, but the increase. There was a poor farmer there, with nothing to eat but a little calf. Mr. President, what do you suppose he got at the hands of the great Democratic Party? He got three years in the penitentiary for butchering one calf. That is the sentence that farmer in Stark County, near Dickinson, N. Dak., received.

In those days farmers had to account for a definite number of eggs, and a careful watch was conducted to determine how many eggs the hens laid.

Paragraph 2 of the report says that the farmer could get "subsidies applied as a partial credit on interest, and principal payments could not be made available" to any farmer who is broke "for more than 10 years and, in the aggregate, could not exceed \$5,000,000."

Mark you, Mr. President, \$5,000,000 is all the farmers in America can obtain for this purpose.

Mr. President, in Representative VAN ZANDT's figures a few days ago it appeared that Great Britain alone has received over \$44,000,000,000 as gifts from our country, and Russia has received, to be accurate, \$12,793,400,000. All that is left for one-third of 5,859,000 United States farmers is \$5,000,000.

The report on page 24 says that the committee went into this very carefully to find out how many farmers were broke and how many were self-sustaining. The report states that, roughly, one-third of all the farms in the United States are not self-sustaining. There we have it in their own report on the Housing Act of 1949.

There are, roughly, nearly 6,000,000 farmers in this country, and they say one-third of them are not self-sustaining. So these 2,000,000 farmers are going to have this \$5,000,000, \$2.50 apiece, in order to fix up their buildings, fix up their outhouses, and get the technical help and all the rest of it, as I shall explain in just a few moments.

On page 24 the report says, and I quote it so that every Democrat on the other side of the aisle may have the words:

Evidence before your committee indicates that nearly a third of the Nation's farm families derive insufficient income from their farming operations to finance the needed improvements to their homes (and other building improvements essential to successful farm operations).

So of the 6,000,000 farmers in the United States, one third would get \$5,000,000, which would give each farmer, roughly, \$2.50 with which to build himself a house, outbuildings, machine sheds, hen houses, and barns. But he does not get that until after the third year of the program. Very generously the committee adds:

Lesser amounts would be authorized for the earlier years.

So he would not get \$2.50 the first or second year, he would get a lesser amount. Assuming that the farmer gets \$2.50 after the third year, he may get 75 cents or 80 cents the second year, and 50 cents the first year, in order to build these buildings he needs so badly.

Of course, Mr. President, the bill is very, very generous in paragraph 3. It provides "Loans and grants for minor improvements and minimum repairs to farm dwellings and other farm buildings on farms which, in the judgment of the Secretary of Agriculture, could not be made self-sustaining. The amount available would be limited to \$1,000 for any one farm or dwelling or building owned by one individual." But, Mr. President, inasmuch as last year we passed the community-property tax law, which provides that the farms are now owned jointly by the husband and wife, this amount therefore would not be available to the man and wife jointly, because it is available to only "one individual" who owns the farm. So it would apply only to bachelors and maids. Bachelors and maids are the only persons under the terms of the proposed law who will be able to borrow any money at all. And a loan cannot be in excess of \$2,000 in the aggregate to any one bachelor or maid.

However, the bill is still very generous, for the report, on page 25, contains this language:

The grant portion with respect to any one dwelling or building could not exceed \$500.

Which in my State would pay for exactly one-third of a garage, and if exceptional care was taken in the building and the supplies were purchased at rock-bottom prices, it might build an outhouse complete, provided it was not too large a one.

In paragraph 2 of the report, on page 25, we find the usual crocodile tears shed for the poor farmer—very reminiscent of literature sent out by candidates the week before election.

As I said, paragraph 3 of the report, on page 24 states that—

Nearly one-third of the Nation's farm families derive insufficient income from their farming operations to finance the needed improvements to their homes—

Which would amount to roughly 2,000,000 farms. The bill will take care of these under title IV of the bill, which provides:

The financing aids provided in this title consist of loans, which after the fourth year, could aggregate \$250,000,000, and, in certain cases, annual contributions and grants.

The report continues with remarkable generosity and says:

They would be made available on such farms to be desirable, it believes some provision should be made for minor improvements, such as roof repairs, toilet facilities, sanitary water supply, to eliminate conditions hazardous to health and safety (and to protect the borrowers property) until the occupants are satisfactorily relocated. Grants totaling \$12,500,000 are authorized over a 4-year period.

Or roughly \$3,000,000 a year for 2,000,000 families, which would give them on an average of \$1.50 apiece, which would mean roughly a dollar and a half per family with which to fix up the roof, and so forth, which is under the grant, for I am now not talking about the loans. The grant would provide \$1.50 per family to fix up the roof, provide proper toilet facilities and sanitary water supply and to eliminate conditions hazardous to health and safety, and to protect the property in general.

But, Mr. President, I have not told all the beautiful parts of this bill because it contains something that no other bill has ever contained before in all history, and it is a part of the grand bipartisan policy of Democrats and Republicans alike, because this bill has been reported unanimously by the committee, as I understand.

What the farmer has needed all this time, and which he is getting for the first time, Mr. President, under the generous terms of the bill before us, but which he never received before, is "technical services." That is what he is going to get under the bill. "Technical services" will keep the rain off his roof and keep it out of the house. These "technical services," for all of which the farmer must pay, will provide roof repairs and toilet facilities, and a sanitary water supply. These "technical services" include "plans, specifications, construction supervision and inspection, and advice and information in the Department of



Agriculture, and authorizes the Secretary to conduct a program of research with a view to reducing costs, and to make market studies and assemble data in the farm-housing field."

The sponsors of the bill say they are going to send a great number of individuals into the farming districts to watch how the farmer spends this \$1.50 which he receives in the form of a grant, and the \$2.50 the individual farmer receives in the form of a loan. They do not want the farmer to waste that money.

The bill provides for another bureaucracy in the Department of Agriculture—to send out men to find exactly how the farmer is going to spend his few pennies to improve his toilet facilities, repair his roof, get a sanitary water supply, and eliminate conditions hazardous to his health.

So there, as the Democratic orators say—there, my beloved friends, you have the administration's new farm housing program. There it is, Mr. President.

The administration gave the people of Italy \$4,700,000,000 in gifts, Saudi Arabia \$46,200,000, Yugoslavia \$117,200,000, Netherlands and possessions \$979,000,000, Greece \$681,000,000, Turkey \$305,400,000, Belgium and Luxemburg \$1,744,000,000, Austria \$885,118,000, Israel \$63,000,000, and the South American Republics \$1,651,392,000.

But the farmers of the United States, one-third of whom, according to the Democrats themselves, cannot make enough to provide themselves with decent buildings, are going to get loans—not gifts, but loans—at not to exceed 4-percent interest. They are going to get loans which in the fourth year must not aggregate over \$250,000,000, and grants totaling not over \$12,500,000.

The report further says that this is—  
A special type of financial assistance—

Oh, they are always giving something special, Mr. President, and this time it is a special type of financial assistance. That is what is set out in the report.

A special type of financial assistance designed specifically to meet the problems of the farmers who cannot get credit elsewhere and of research and technical services, pointed toward more efficient and more economical construction of farm buildings.

If these grants and loans are like the ones given to the farmer during the drought period for seed and feed, then the farmer already knows that he must repay the loan, including the interest, although similar loans have long since been canceled for the farmers of Canada and farmers of some other countries.

Mr. President, I can mention instances of the Government, under its bureaucrats, having taken from the farm the last dollar on it. In one case a farmer died and left his widow with fatherless children. This man had patriotically borrowed money with which to buy seed and feed. He is typical of farmers all over the great Northwest. That was done when the Government asked the farmers to raise a large crop, in order that there might not be a shortage of feed and a shortage of wheat. Then what happened? There were no exemptions against recovery of these loans.

When a man dies a lien is filed against him in the probate court. I know of instances where everything the farm contained was taken, and in the case of the man who died, the woman and children were left absolutely destitute.

Mr. President, I do not believe the farmers of England should be treated any better than the farmers of the United States. Therefore, I have prepared some amendments which I am offering.

Mr. BRIDGES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. LANGER. I yield.

Mr. BRIDGES. I wonder if the Senator has made an examination of what we have done for England, and whether the Senator has found that the farmers there are getting the same kind of technical help which he says the farmers of this country will get under the pending bill?

Mr. LANGER. I have not ascertained that. Was that all free of charge?

Mr. BRIDGES. I merely wondered about it.

Mr. LANGER. Let me tell the distinguished Senator that this help is not free to the farmers. Under the terms of the bill, the Secretary of Agriculture may charge for it if he so desires.

Mr. BRIDGES. What is this technical help? If I were a farmer in North Dakota, what could I expect to get in the way of technical help?

Mr. LANGER. The inspector would come around and look over the roof of the farmer's house, or his barn, or other buildings. The farmer might say, "I think I will put linoleum or tarpaper on the roof." The inspector might say, "No, I do not think I would do that. I would put a certain kind of shingle on it." The farmer might say, "That is too expensive." The inspector might reply, "Well, those are the rules laid down by the Secretary of the Department of Agriculture. We find that this particular kind of shingle, of a certain width and laid in a certain way, even though more expensive, should be used." So long as the farmer is getting a loan from the bureaucrat, that is the kind of shingle he will use.

Mr. BRIDGES. It is pretty simple, then.

Mr. LANGER. When it comes to the outhouse, the farmer is told how the outhouse should be built, just as was done during drought days. Special agents were appointed to go around—

Mr. BRIDGES. The Senator speaks of an outhouse. Does he mean a Chic Sale?

Mr. LANGER. Yes; I mean exactly that.

Mr. BRIDGES. They specified the exact proportions.

Mr. LANGER. They specified whether it should be a one-holer, a two-holer, a three-holer, or a four-holer. They specified what lumber should be used and what kind of cement should be used to keep out rats and mice, the type of floor, and everything else. To enforce the regulations there was a horde of employees traveling all over the State. I was Governor of the State at that time.

I investigated some of the "Chic Sales" which the Senator mentions. I know all about them. I know what they cost. They cost plenty.

Mr. BRIDGES. I have wondered for a long time what some of the New Deal bureaucrats are good for. Now I think the Senator has opened up an opportunity of service for them. I think they might be good inspectors for outhouses.

Mr. LANGER. Mr. President, I wish to close by saying that I believe that the amendments which I have submitted should be adopted. I believe they would be of tremendous help to farmers all over the country. They would increase the amount to the same amount which we gave England, \$3,750,000,000, on exactly the same terms on which we loaned money to the farmers of England. We propose to give our farmers the same kind of a deal.

Under the Marshall plan England is receiving roughly one-third of the amount of money which is going abroad, and, therefore, the farmers of this country and the GI's who are farmers ought to get the same consideration as the farmer and the GI of Great Britain. Instead of getting grants totaling \$12,500,000, they should get grants totaling \$3,750,000,000, with the provision that for the next few years they can receive an equal amount each year. That is what England is getting under the Marshall plan.

I am one of those who believe that the farmer does not need any bureaucrats, spies, assistants, or helpers, or anyone else to see how he builds his outhouse or fixes his roof. Therefore I believe that the regulations as they relate to the farmer could be taken care of by the farmer simply certifying the amount of money he has actually spent and what he has used it for. If it were desired, he could attach the receipts which he received from those to whom he paid his money. All I ask is simple justice for the farmers.

Compare the farmer, under the terms of this bill, with the city man. The city man would get \$750 a room. Under certain conditions he would get \$1,750 a room. In certain circumstances he could add the \$750 to the \$1,750. The house would cost perhaps as much as \$12,000 for a man living in town, but the farmer would get \$500 in the form of a grant, and then he could borrow not to exceed \$1,000. He is supposed to get along the best way he can.

I submit that we ought to have absolute equality, especially in view of one fact, a fact which I believe the Democrats should never forget. It was the farmers who elected Mr. Truman the last time, and the farmers should be given at least the same kind of fair deal which it is proposed to give to the city man.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BRIDGES. The Senator speaks of the possible cost under this bill, rising to \$12,500 per unit in the cities. I wonder if the Senator can tell us the value of the average farm home in America.



Mr. LANGER. I am not sufficiently acquainted with conditions in the South, but I am acquainted with the Senator's territory, and with the Northwest. I have been in practically every State in the Union. As the Senator knows, in the South houses do not cost as much, partly by reason of the climate. However, I should say that in the State of North Dakota it would not be possible to build the kind of house in which the average North Dakota farmer would care to live for less than \$10,000.

Mr. BRIDGES. What is the approximate value of the average farm residence in North Dakota? I may say that in the State of New Hampshire and other New England States the average farm home would probably have a value of \$5,000, \$6,000, or \$7,000, while the bill provides for houses costing up to \$12,500 for people in the city. The vast majority of citizens in my area live in \$5,000, \$6,000, or \$7,000 houses. They would be contributing twice as much to build units in the larger cities.

Mr. LANGER. Let me say to my distinguished friend that there are hundreds of farmers in North Dakota who have homes which are valued at between \$15,000 and \$25,000, especially in the Red River Valley. It is not unusual to find a farm on which the buildings are worth \$50,000. There will be two or three silos, immense barns, and other buildings. In some portions of the State the value of the buildings is not so great, but I should say that the average value is certainly \$9,000 or \$10,000.

Mr. BRIDGES. I am speaking about the residence itself, the farm home. The bill refers to the \$12,500 unit as a home. That does not include all the outbuildings. I assume that in the case of the \$12,500 houses, the occupants will not use outhouses, but will use modern bathrooms.

Mr. LANGER. That is correct.

Mr. BRIDGES. Speaking of the value of the average home itself in North Dakota, what would the Senator say as to the average value?

Mr. LANGER. I should say \$7,500 at the very lowest, for the average home.

Mr. BRIDGES. As a whole, the people have pretty good homes in North Dakota, have they not?

Mr. LANGER. Yes. We would have even better and more expensive homes except for the trouble during the past few years in obtaining building materials, including nails, steel, and many other things—even paint.

Mr. BRIDGES. Under this bill the farmers of North Dakota will receive technical services, so there will be a new feature.

Mr. LANGER. Yes. If the bill is enacted, a man will come around to look over the roof, the outhouses, and the sanitary conditions, to see whether the water flows up or down; and we shall find out just how wide the little pipes are which bring water from the artesian wells. We are going to have technical assistance, and if the Secretary of Agriculture wishes to charge the farmer for it, the farmer will have to pay for that service. There is no limit to what can be charged.

Mr. BRIDGES. The technical service might cost quite a sum, might it not?

Mr. LANGER. Yes.

Mr. BRIDGES. How much does the Senator think it might amount to?

Mr. LANGER. That depends on how long the bureaucrat stays. If the farmer has a good looking daughter as by far the majority are in North Dakota the bureaucrat may stay longer than if she were homely. The Senator is a man of the world, and he knows how such things are. The bureaucrat might stay one day; he might stay a week. It would depend somewhat, too, upon whether the farmer had a two-story house or a three-story house, and also might depend upon the amount of work to be done there.

Mr. BRIDGES. If a great amount of work were to be done, he might not be able to stay so long; might he?

Mr. LANGER. Of course, it would all depend on the amount of work which he thought should be done.

Mr. BRIDGES. I see.

Mr. LANGER. So let me say to the distinguished Senator from New Hampshire that the farmer and the bureaucrat might debate for several days, around the breakfast table and also around the dinner table, before deciding on just what kind of shingles to put on the roof and where to put the baseboard and whether a foundation was needed; and if so, what the foundation should consist of, what percentage of cement to use, and whether to use stone or brick.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. BRIDGES. In the event that the farmer and the bureaucrat did debate, who would win, if the farmer were to receive the service?

Mr. LANGER. Certainly the bureaucrat would win.

Mr. BRIDGES. So the farmer would be brought under control by this measure. When the farmer received this service, he would have to submit to dictation; would he?

Mr. LANGER. Yes. I particularly call the attention of the distinguished Senator from New Hampshire to the portion of title IV dealing with technical services. That portion is found toward the end of the bill; it begins on page 58, and I shall read the entire section:

#### TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive—

That is what we have been discussing—the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary.

That is plain enough.

Mr. BRIDGES. That makes it rather definite. Will the Senator yield for a further question?

Mr. LANGER. I ask the Senator from New Hampshire to wait a moment,

please; I wish to show who will pay for it:

In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

So, Mr. President, let me say to the distinguished Senator from New Hampshire that if the inspector who is sent there by the Secretary determines that the farmer should not move the materials from the town to his farm by motor-truck, but should use a horse and wagon for that purpose, he could say to the farmer, "It is much more efficient, economically, for you to use a team of horses and a wagon, rather than to use a motor-truck."

Mr. BRIDGES. Mr. President, will the Senator yield at this point?

Mr. LANGER. I yield.

Mr. BRIDGES. If the farmer submitted to such arrangements in order to procure the small amount of financial assistance which would be furnished by the bill under such circumstances, is it the judgment of the Senator from North Dakota that the farmer also would be subjecting himself to complete regulation?

Mr. LANGER. Yes. For instance, if the farmer were to get a \$350 loan, mileage would have to be paid to whoever went there to inspect; and if the inspector stayed there 3 or 4 days, to get the work started, and then returned some days later to inspect the work which had been done, there would be a further charge. However, we can readily see that for a \$350 loan, a \$50 charge would be too much—certainly it would be too much, in my opinion—for the farmer to bear.

Mr. BRIDGES. Mr. President, will the Senator yield further?

Mr. LANGER. I yield.

Mr. BRIDGES. I gather from the Senator's remarks that he is attempting to show that the aid given by this measure would be immaterial, but that in receiving the aid the farmer would have to subject himself to an extent of regulation, rules, and so forth, which would seriously handicap him, and that he would be almost forever in extricating himself from them.

Mr. LANGER. Of course, that would depend entirely upon who was the Secretary of Agriculture.

Mr. BRIDGES. Yes.



Mr. LANGER. I can conceive of a Secretary of Agriculture who could do a great deal of good in such circumstances; but on the other hand, there might be a Secretary of Agriculture who simply would not be a good public servant, and who might wish to make conditions rather "tough" for a certain group of farmers—for instance, possibly a group of farmers who did not vote "the right way" in a certain State. Let us take such a case as an extreme example: In such case, certainly a Secretary of Agriculture could make things "very tough" for such a group of farmers.

I am reminded of the election in North Dakota in 1934. Before that election, certain voters who needed relief did not get it, but certain other voters who were not in such great need for relief, did get it.

Mr. BRIDGES. In that case, the ones who obtained the relief had voted for the New Deal candidate for President; had they?

Mr. LANGER. No; it was not a Presidential election. It was a State election. Certain people were supported on the coalition ticket made up of Democrats and Republicans, who were conservatives. They got help. The poor people who needed it the worst, who voted against the conservatives, did not get it. I may say the gifts included some mighty fine things, such for example as Hart, Schaffner & Marx overcoats. They were given away free. I refer particularly to the city of Bismarck, and the articles which were handed out. Some of the fellows sold them and came and told me how much they got for them. Some of them did not need them. Strangely enough, they were given out only 2 days before the election.

Mr. BRIDGES. Is the Senator sure that Hart, Schaffner & Marx overcoats were given?

Mr. LANGER. Yes.

Mr. BRIDGES. That is getting into a pretty good brand of overcoats, is it not?

Mr. LANGER. A very, very good overcoat.

Mr. BRIDGES. That is a new point in the administration of relief. I had not heard of it before. I am very much interested in what the Senator has told us about it.

Mr. WHERRY. Mr. President, before the Senator yields the floor, will he yield for a question?

Mr. LANGER. I yield to the Senator from Nebraska.

Mr. WHERRY. As I understand, the distinguished Senator has been talking not only about grants and loans, but also about adequate housing assistance which may be had under the provisions of the act. Is that correct?

Mr. LANGER. That is correct.

Mr. WHERRY. Let me ask the Senator this question: Under the provisions of the bill, one of the requirements for obtaining a grant or loan is that the applicant go first to a commercial institution, and if he does not qualify, then the applicant becomes eligible for a loan of \$500; is that correct?

Mr. LANGER. That is correct.

Mr. WHERRY. Then where does the farmer go who wants to obtain assistance,

who does not take it under a grant, but who gets a loan? What is the maximum amount that particular farmer can get?

Mr. LANGER. One thousand dollars.

Mr. WHERRY. One thousand dollars for a farm and \$2,000 for an individual; is that correct?

Mr. LANGER. For an individual.

Mr. WHERRY. No matter how many farms he has, is that the limit?

Mr. LANGER. No. It says an individual. I maintain where there is a community-property tax and real estate is owned jointly, not only the husband, not merely one individual any more, but two people own it.

Mr. WHERRY. Is there any other provision of the act relating to assistance to farm homes, outside the ones I have just mentioned?

Mr. LANGER. That is all.

Mr. WHERRY. If the Senator will yield, I should like to ask a question of the distinguished Senator from Alabama.

Mr. LANGER. I yield.

Mr. WHERRY. Is the statement which has just been made correct?

Mr. SPARKMAN. If I followed the Senator from North Dakota correctly, he was referring only to section 404.

Mr. WHERRY. That is what I am asking about.

Mr. SPARKMAN. That relates to submarginal farming only. There are different provisions with reference to those which are economically sufficient, or those which may be potentially economically sufficient.

Mr. LANGER. Mr. President, I yield the floor.

Mr. SPARKMAN obtained the floor.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I understood what the distinguished Senator from North Dakota said. I am asking the Senator from Alabama now, if there is contained in the bill any provision for any other type of loan for farm construction, outside the ones mentioned—the one where the grant is made in the amount of \$500, or the one where the individual can apply for a loan and obtain \$1,000 on any one farm, for any buildings which are approved, or \$2,000 on any number of farms he may have?

Mr. SPARKMAN. Let me make it clear, if I can, in the mind of the able Senator from Nebraska. The limitation of a \$500 grant, or \$1,000 loan, on any one building, or \$2,000 on any group of buildings, relates only to section 404. Both section 402 and section 403 provide for loans to farmers. Section 402 provides for loans to farmers whose farms are adequate, that is, farms which are producing and the land of which is good.

Mr. WHERRY. What is the minimum earning the farm must show in order that a farmer qualify for a loan?

Mr. SPARKMAN. I believe the formula is \$400.

Mr. LANGER. Four hundred dollars gross.

Mr. SPARKMAN. There is a time fixed, there is a year given. It is as of the 1944 value.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. What is the maximum amount of the loan a farmer can get under section 402, if he qualifies? The reason I ask the question is that I cannot find a maximum stated.

Mr. CAIN. Mr. President, will the Senator from Alabama permit me to make an observation?

Mr. SPARKMAN. I yield. However, I can answer the question first, if I may.

Mr. WHERRY. Please do so.

Mr. SPARKMAN. There is no limit provided.

Mr. WHERRY. Then how much money would be appropriated in the bill to take care of loans under section 402?

Mr. SPARKMAN. The money appropriated under the bill is set forth in section 411, on page 65.

Mr. WHERRY. Is that the amount mentioned as \$250,000,000?

Mr. SPARKMAN. Twenty-five thousand dollars to start with, and it goes on up to \$250,000,000.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. What I am trying to find out is this: I think I understand the grants, and I understand the submarginal loans on land that is inadequate. What I am asking is a comparison between the housing provided in urban districts and that provided for farms. The point was very forcefully made by the distinguished Senator from North Dakota. Under section 402 a gross earning of \$400 makes a farmer eligible. A farmer is eligible if he has an adequate farm. What I should like to know is, what is the total amount of the appropriation under the bill, whereby the individual farmer could obtain a loan? If there is no limit, what is the proposal, so we can have some idea of how the money will be made available to farmers under the provisions of section 402?

Mr. SPARKMAN. I may say to the able Senator from Nebraska that I am referring to the report.

Mr. WHERRY. Where is it in the bill?

Mr. SPARKMAN. It is in section 411.

Mr. WHERRY. Can the Senator tell me what the maximum amount is, which is the total of appropriation that will be made?

Mr. SPARKMAN. Yes. Until July 1, 1950, the total amount appropriated is \$25,000,000.

Mr. WHERRY. That is all that will be available for the first fiscal year?

Mr. SPARKMAN. That is correct, for loans.

Mr. WHERRY. Who is eligible for the \$25,000,000?

Mr. SPARKMAN. Three classes of farmers are eligible: First, the farmer with an adequate farm; that is, a farm which is economically adequate. That farmer is eligible for a loan. Second, the farm that is capable of being made adequate.

Mr. WHERRY. It is inadequate now. Is that correct?

Mr. SPARKMAN. It may be, or it may perhaps need some terracing and soil improvement, or something of the kind. That farmer is eligible for a loan. He may also be eligible for a contribution to help him carry the loan for a period not to exceed 10 years. It is somewhat com-



parable to our rehabilitation program under the Farmers Home Administration, or the old Farm Security Administration.

Mr. WHERRY. I understand.

Mr. SPARKMAN. Then the third class of farmer who is entitled to a loan is, under section 404, where the farm is inadequate, and where we are not trying to root him to the soil; we want him to leave, but we realize it is better for him to remain than to be forced to go to a place where there is a slum condition. He can get a certain amount of money. He can also get a grant. Those are the three classes.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. The total amount of funds available for those three classes is a maximum of \$25,000,000, is it not?

Mr. SPARKMAN. For the first year.

Mr. WHERRY. What is it for the second year?

Mr. SPARKMAN. I refer the Senator to page 65.

Mr. WHERRY. I think it is \$50,000,000, is it not?

Mr. SPARKMAN. Fifty million dollars for the second year; that is correct.

Mr. WHERRY. And what is it for the third year?

Mr. SPARKMAN. Seventy-five million dollars.

Mr. WHERRY. What is it the fourth year?

Mr. SPARKMAN. One hundred million dollars.

Mr. WHERRY. And that is the end, is it?

Mr. SPARKMAN. It levels off at \$100,000,000.

Mr. WHERRY. That makes the total of \$250,000,000, does it not?

Mr. SPARKMAN. That is correct. That is the total.

Mr. WHERRY. That is the reason I mentioned the total. So the total amount available for all classes of farm loans, for all types, adequate and inadequate, over the 4-year period, is the sum total of \$250,000,000, is that correct?

Mr. SPARKMAN. That is correct—for loans.

Mr. WHERRY. For loans and grants.

Mr. SPARKMAN. No. That is for loans. I remind the Senator that each time he asked me about loans. Now, the grants are set forth just below, if the Senator wants to refer to them. The first is \$1,000,000.

Mr. WHERRY. That is a \$5,000,000 total, is it not?

Mr. SPARKMAN. No, the amounts increase yearly as follows after the first year: \$2,500,000, \$4,000,000, and \$5,000,000. It totals \$12,500,000. Under the potentially adequate farm provision, a \$50,000,000 maximum is also authorized for contributions.

Mr. WHERRY. Is the Senator reading from the report?

Mr. SPARKMAN. Yes.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Will the Senator point it out in the bill?

Mr. SPARKMAN. It is on page 67.

Mr. WHERRY. The total is \$12,500,000 over the whole 6-year period, is it not?

Mr. SPARKMAN. That is correct, for grants.

Mr. WHERRY. So the total for grants, if the Senator will yield for another question, is \$12,500,000, and the total amount of funds available for all types of loans for farms, adequate and inadequate, is \$250,000,000; is that correct?

Mr. SPARKMAN. That is correct.

Mr. WHERRY. So that the total amount the farmers can receive during the life of this program—

Mr. SPARKMAN. There is another \$50,000,000 which may be used for contributions in connection with the program for potentially adequate farms. If I correctly follow the figures, the total amount carried in the bill for farmers is \$312,500,000.

Mr. WHERRY. And the average would be approximately \$80,000,000 a year; is that correct?

Mr. SPARKMAN. It would be nearer \$71,000,000 in round numbers, taking into consideration the maximum contributions for potentially adequate farms that could be made the first 4 years. I think I anticipate the thought of the Senator from Nebraska, and I certainly followed the comments of the able Senator from North Dakota. I certainly feel that this is a mere pittance, but I should like to call the Senator's attention to the fact that this is the first time we have ever gone even this far. I want to remind Senators that we have had considerable difficulty in getting this amount in the bill. There is one good argument, and I should like to mention it. This is very largely an untried field. We have not done very much with farm housing. We have done a little under the Farmers Home Administration. I think most of the members of the committee felt we should start off lightly until the program proves itself. We tied the Farmers Home Administration into this program because it has had the experience of building houses on farm-tenant purchase projects, and also in doing a similar type of rehabilitation work, but we have started modestly. My hope is—and I am expressing my own personal opinion—that over the 4 years the program will prove itself to the extent that we can go into a program which will be worth a great deal to the farmers of the Nation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I should like to call the attention of the Senator from Nebraska and the Senator from Alabama to the fact that there are many States which have no laws governing rural housing.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I am intensely interested in this portion of the bill, and I was somewhat amazed as I went into it with reference to farm housing and the number of farmers eligible. In the report there is an admission that one-third of the farm families of the country receive insufficient income. For the infor-

mation of the Senator from Alabama, let me say that in the State of Nebraska 65 percent of our population is in rural communities. Nebraska is not an industrialized State. It is primarily a farm State. It seemed to me that there were 2,000,000 farmers who would have very little opportunity in the next 4 years, for the reason that of 2,000,000 only a handful will receive the benefits.

Mr. SPARKMAN. That is correct.

Mr. WHERRY. As I understand the bill, it can reach a total of approximately \$15,000,000,000 for other purposes, over the complete period of 40 years. How long will the farm families have to wait? If it is good for the man in the city, it is good for the man on the farm. Why should a dwelling in a city be financed at a going rate of not less than 2½ percent, and why should there be a rate of 4 percent on farm loans? I am speaking of housing for those who have inadequate incomes.

Mr. SPARKMAN. Most of the housing provided for farmers is not what would be called public housing or relief housing. It more nearly compares with the FHA, because it is on a loan basis.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I agree; but I ask the Senator this question: We are attempting to do for those who live on farms something which is comparable to what is being done for those who live in urban communities. It takes a different approach, it seems to me, from the approach to private loans. Who will determine who is eligible for farm loans? Who is to make the determination?

Mr. SPARKMAN. I know there is validity to the argument which the Senator is making. I remember that in 1937, when the first program for farm tenants came up, I was a Member of the House. As a matter of fact, the first speech I ever made in Congress was on that bill. The argument was then made that we were providing only \$10,000,000 for farm-tenant purchases all over the United States; there were 3,000 rural counties, and that \$10,000,000 would provide for the purchase of only one farm in each of those counties.

That argument almost defeated the program. Yet, we saw the program prove itself. I do not think there has ever been a program which has better proved itself than has the farm-tenant purchase program. It went from \$10,000,000 until—I do not know how much we are providing this year, probably \$150,000,000. It was allowed to grow and develop in an orderly manner. I am hopeful that is what will happen with this program, that we may approve a program and that it will be allowed to grow and develop in a similar manner. We are calling upon the same agency to handle this program.

Mr. WHERRY. Will the Senator please answer the question regarding the difference in interest rates? I cannot understand that feature of it.

Mr. SPARKMAN. We do not fix a rate of interest in cities.

Mr. WHERRY. But we fix a rate on the farms.



Mr. SPARKMAN. It is the lowest rate of interest we fix on anything, except possibly rural electrification. Some loans are made at 2 percent. On public housing the Federal Government does not fix the rate of interest.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Who fixes the rate of interest?

Mr. SPARKMAN. The local housing authority issues bonds and sells them on the commercial market. The Federal Government has nothing to do with that.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. Why should not the rate of interest be comparable to what is charged on an urban loan? Why should not the one who is receiving the same type of aid on the farm be charged an interest rate comparable to that which the urban tenant pays?

Mr. SPARKMAN. Usually in Government loans something above the going rate of interest is charged, ordinarily, to take care of the costs of administration. We do not say they shall be charged 4 percent; we say not to exceed 4 percent. We set the ceiling.

Mr. WHERRY. If the Senator will yield further, let me say that the Federal Government does charge the municipality the interest rate, and that interest rate, no doubt, is reflected in the charges which the municipality or the local authority charges the tenants. Is not that correct?

Mr. SPARKMAN. I do not understand the Senator's question. The Housing Authority is not financed through the Federal Government.

Mr. WHERRY. What is the rate of interest?

Mr. SPARKMAN. Whatever the city may set in its sale of bonds.

Mr. WHERRY. Who loans the money?

Mr. SPARKMAN. Whoever buys the bonds. The Housing Authority issues bonds and sells them on the open market.

Mr. WHERRY. At what rate of interest?

Mr. SPARKMAN. Whatever rate it can sell them for.

Mr. WHERRY. Mr. President, will the Senator yield for another question? I do not want to delay the Senator; that is not my purpose at all. I still feel that inasmuch as the Government sets the pattern of what the interest rate shall be, because the Housing Authority issues bonds and sells them, whether it be a direct loan or a grant, it seems to me the rate should be comparable. I understand there is a maximum rate of 4 percent.

Mr. SPARKMAN. That is correct.

Mr. WHERRY. It seems to me the same interest rate, or an interest rate that is comparable, should be charged to all those who seek loans.

I ask the Senator further if he does not feel that out of the total amount of between \$12,000,000,000 and \$15,000,000,000 to be spent on public housing there is too little allocated to farm loans.

Mr. SPARKMAN. I certainly will agree with the Senator that I should like to see much more allotted, but I wish to go back to the statement I made a moment ago. I think the committee looked at the matter in the way I tried to explain, and I think it was justified in doing so, that is, that the program had not proved itself, that we should start off modestly, prove it, and develop it. As a matter of fact, there were members of the committee who felt that we should not put any farm housing program into effect because it was yet new and untried.

Mr. MAYBANK. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. The Eightieth Congress did not make any provision, and the only thing done toward assistance for farmers was by way of an amendment offered on the floor of the Senate by the Senator from Georgia [Mr. Russell].

Many of the States of the Union have provided no enabling legislation under which we could deal with them. I should like to make it perfectly clear that I was dissatisfied with the small appropriations the farmers would get for their homes in the way of grants or loans, as are the distinguished Senators from Nebraska, North Dakota, and Alabama. But let us be fair. This is a trial, and we did not have anything to use as a yardstick. There is no past experience, as there was in city development.

The only thing that has ever been done, as I have said, was the adoption of an amendment offered on the floor of the Senate by the Senator from Georgia a year ago, and I know the Senator from Nebraska supported it, as I did. We did the best we could, and I for one would stand on the Senate floor and fight for better appropriations for farmers. I hope my Republican friends will join me in the fight for 90 percent of parity, and the other assistance city people can afford to extend to the farmers of the United States.

Mr. LANGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. SPARKMAN. In a moment I shall yield.

I should like to remind the Senator from Nebraska that on the direct loans we provided to GI's for home building we charged 4 percent. On the FHA loans the GI's get we provide even 4½ percent, and we have had difficulty, the greatest difficulty, in getting those loans financed at that low rate of interest.

Mr. WHERRY. Once again, that was the maximum rate of interest which was charged.

Mr. SPARKMAN. In that particular case, 4 percent became the minimum to such an extent that it was not possible to get the loans.

Mr. WHERRY. They are not charging that, according to my understanding. It is a maximum rate.

Mr. SPARKMAN. It is charged; it has been charged.

Mr. WHERRY. They are charging 4 percent.

Mr. SPARKMAN. Yes.

Mr. WHERRY. That still does not answer the question I asked. I understand on that type of loan that is an adequate rate. In the case of loans to people who are seeking to borrow on submarginal lands, inadequate farms, the loans are comparable to those made in welfare housing. The Federal Government does fix the rate of interest, because it sells the bonds and says what the interest rate is to be.

Mr. SPARKMAN. No; the Federal Government does not sell the bonds. The Senator from Nebraska has fallen into one of the most common errors in the thinking of the people of this country with reference to public housing.

First, the Federal Government does not build the houses. Second, it does not control the building of the houses. Third, it does not furnish the money for them. It does not lend any money on them. It has nothing to do with making the money available. Instead, the local housing authorities issue the bonds and sell them on the open market, and the Federal Government has nothing to do with the sale of the bonds.

Mr. WHERRY. Then what does the Federal Government do?

Mr. SPARKMAN. Year by year it gives a subsidy to the housing authorities to help make up the deficit of the rents collected after the houses are built and the tenants are in them.

Mr. WHERRY. And they sell the bonds to make good the guarantee.

Mr. SPARKMAN. No.

Mr. WHERRY. Government bonds, I mean.

Mr. SPARKMAN. No.

Mr. WHERRY. Where do they get the money with which to make good the guarantee?

Mr. SPARKMAN. The \$308,000,000?

Mr. WHERRY. Certainly. The interest rate is 2¼ to 2½ percent. That is the point I make.

Mr. SPARKMAN. That is not the money with which the houses are built.

Mr. WHERRY. I do not care with what money they build the houses. In the final analysis, I suggest to the Senator again, and I appeal to his fairness, if there is a guarantee to be sustained, it has to be by Government money, and the Government money, as in the case of the sale of bonds, comes out of the general Treasury or some Government fund pays it, and the interest rate is 2½ percent.

Mr. SPARKMAN. If the Senator wants to talk about the going rate of interest, yes, it may be 2½ percent. As a matter of fact, I think what we call the going cost of the money is something over 2 percent. So far as I am concerned, if I had my own way, I would certainly join with the Senator in making loans available to the farmers.

Mr. WHERRY. On inadequate farms.

Mr. SPARKMAN. Yes. But as a matter of fact the committee thought best to support the pending bill, in the form in which it reported it, and as the able Senator from South Carolina so well pointed out, we have gone much further than we have ever been able to go before. I am hopeful that we will be able to get the title in question written into the law, and from it to develop a program which



will justify us in coming to Congress 4 years hence and saying, "The program has proved itself. Let us now really expand it and put in a real program for the farmers."

Mr. MAYBANK. Mr. President, Senators continue to talk about \$308,000,000. That is a maximum.

Mr. SPARKMAN. That is correct.

Mr. MAYBANK. Past experience shows that about 58 percent of that amount would be expended.

Mr. SPARKMAN. Yes.

Mr. MAYBANK. I never expect to see this amount expended as a subsidy, or whatever one may wish to call it, unless business goes to pot, as we might say. I look at this program as more or less self-liquidating. Only 58 percent of the available subsidy has ever been called upon for actual use under the 1937 program, and I look upon the present program as likely to lead to a similar result.

Mr. LANGER. Mr. President, will the Senator yield so I may ask him a question about his statement concerning parity payments?

Mr. SPARKMAN. I should like to have unanimous consent to permit the Senator from South Carolina [Mr. MAYBANK] to answer the question of the Senator from North Dakota.

The VICE PRESIDENT. Without objection, the consent is granted.

Mr. LANGER. The Senator from South Carolina said something about a bill being reported providing for 90 percent parity payments, which he said he would support, and he wanted to know whether the Senator from North Dakota would support it.

Mr. MAYBANK. I did not ask the Senator from North Dakota that question, because I do not think the Senator from North Dakota and I have ever differed on parity payments to farmers.

Mr. LANGER. I appreciate the Senator's statement, but I am going to vote for 100 percent parity, and if we cannot get that, I shall vote for 90 percent.

Mr. MAYBANK. I am happy to hear the Senator say that. He voted for the 92½ percent of parity on cotton.

Mr. LANGER. I compliment the distinguished Senator from South Carolina for the fine record he has made for agriculture in this country.

Mr. MAYBANK. I am happy to have been associated with the Senator from North Dakota in making that record.

Mr. CAIN. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield the floor.

The VICE PRESIDENT. The Chair would like to ask the Senator from North Dakota whether he presented certain amendments to be printed and to lie on the table.

Mr. LANGER. Yes; I so requested.

Mr. CAIN. Mr. President, I should like to call up my amendment "4-13-49-A," in the hope that it might be made the pending question before the Senate.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 25, line 11, following the word "and" at the end thereof it is proposed to insert the following: "(iii) unless the project or projects in the locality, which are to be assisted under this act, shall have been approved by referendum of the voters in the locality at a general or special election; and."

Mr. MYERS. Mr. President, I now move that the Senate stand in recess until 12—

Mr. MAYBANK. Mr. President, will the Senator withhold his motion for a moment?

Mr. MYERS. Yes.

Mr. MAYBANK. I wish to ask the distinguished acting majority leader and the distinguished minority leader if they believe it is possible to complete action on the bill tomorrow? There is much legislation yet before our committee, on which we should like to begin hearings. There is another housing bill before the committee upon which the committee is very anxious to take action. I hope the Senate may stay in session long enough tomorrow so we may finish the pending bill tomorrow, in order that the committee may proceed to take action on other matters.

Mr. MYERS. Mr. President, I expressed the hope a few weeks ago that we might finish legislation then pending before the Senate on the following day, and there were some biblical or Latin quotations used when I expressed that hope. I wish to say that we all hope we may finish action on the pending bill tomorrow. I am sure the minority leader will join with us in making every effort to reach a final vote tomorrow.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. I am very happy to give the acting majority leader the assurance that we on this side will do everything we can to have a final vote on the bill tomorrow. I think most of the speeches Senators desired to make on the bill have been made. There has been much debate on various features of the bill. I think we are ready to vote. I would not be at all surprised if we could finish action on the bill tomorrow evening. Most of the amendments offered to the bill have been discussed. I assure the Senator we will attempt to expedite action on the bill in every way.

Mr. MYERS. Mr. President, it is our intention to drive for a final vote tomorrow evening. Perhaps we will stay in session an hour or so later than this evening if it looks as though we can secure a final vote on the bill.

Mr. MAYBANK. Mr. President, I thank the acting majority leader and the minority leader for their statements. I trust final action will be taken on the bill tomorrow.

#### RECESS

Mr. MYERS. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 20, 1949, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate April 19 (legislative day of April 11), 1949:

##### UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be medical director (equivalent to the Army rank of colonel), effective date of acceptance:

James A. Shannon

To be scientist (equivalent to the Army rank of major), effective date of acceptance:

Emlen J. Bell

Assistant surgeon to be senior assistant surgeon (equivalent to the Army rank of captain):

Arthur S. Keats

##### UNITED STATES ATTORNEY

Dennis E. Sullivan, of New Hampshire, to be United States attorney for the district of New Hampshire. He is now serving in this office under an appointment which expired April 7, 1949.

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 19 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. LANGER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz:

1       On page 53, lines 3 and 4, strike out "4 per centum  
2 per annum on the unpaid balance of principal." and insert  
3 in lieu thereof "2 per centum per annum on the unpaid  
4 balance of principal, except that (1) no interest shall accrue  
5 or be payable for any period prior to July 1, 1954, and (2)  
6 in any case in which the borrower certifies to the Secretary  
7 that any portion of the principal or interest on any such  
8 loans cannot be repaid upon maturity, such unpaid portion  
9 shall be canceled."

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## AMENDMENT

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APRIL 19 (legislative day, APRIL 11), 1949  
Ordered to lie on the table and to be printed



# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 19 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENT

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- 1 On page 67, beginning with the figure "\$1,000,000"
- 2 in line 11, strike out down through the semicolon in line
- 3 15, and insert in lieu thereof the following: "\$6,000,000,000
- 4 for grants pursuant to section 404;".

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## AMENDMENT

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Intended to be proposed by Mr. LANGER to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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APRIL 19 (legislative day, APRIL 11), 1949  
Ordered to lie on the table and to be printed

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 19 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. TAFT to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes: viz:

- 1        On page 56 strike out sections 404 and 405.
- 2        On page 58, line 7 strike out "404" and insert "403".
- 3        On page 58, line 15, strike out "404" and insert "403".
- 4        On pages 60 and 61 strike out section 408.
- 5        On page 67 strike out all after the semicolon in line 10,
- 6 all of lines 11 to 14, inclusive, and line 15 through the
- 7 letter "(c)", and insert "(b)".



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## AMENDMENTS

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Intended to be proposed by Mr. TART to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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- 1       On page 41, lines 15 and 16, strike out "one hundred
- 2   and fifteen", and insert "forty thousand".

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## **AMENDMENT**

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Intended to be proposed by Mr. TART to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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eting and entertaining programs which are bound to improve in the days ahead. It is a rapidly expanding industry. The people of the United States already have purchased more than 1,300,000 receiver sets. There are now 60 television stations on the air, and applications have been filed for more than 300 new stations. Chairman Coy has predicted that within a decade there may be as many as 800 television stations and possibly 20,000,000 or more receiving sets in use. Leading personalities of the radio industry believe that ordinary aural radio broadcasting is on its way out, with television the coming thing. I do not wholly agree, but certain it is that television in the large cities is crowding AM.

#### TODAY'S TELEVISION LIMITED

Today television operates on 12 channels in what is known as the very high frequency band. The original assignment was 13 channels, but interference made one channel unusable. Other interference problems have cropped up, all combining to bring into serious question the entire original allocation and the standards then adopted. In any event, it has been obvious for a long time that the 12 channels now being used will not provide a competitive Nation-wide television service, and Commission spokesmen frankly say so.

However, there is ample space in the spectrum to operate television so that the entire Nation may be served. That space is known as the ultra high frequency band. The space occupied by the present television channels ranges from 44 to 88 megacycles and from 174 to 216 megacycles. The ultra high band ranges from 480 to 920 megacycles. Obviously, there is a great deal more space for television in the ultra high than in the very high band.

Today television operates on a channel 6 megacycles wide; that is, the electrical impulse that carries the picture and the voice is 6 units wide. Assuming that the ultra high spectrum was divided into channels 6 megacycles wide, 73 channels would become available, as compared to the 12 channels presently being used in the very high band. Here, then, is the opportunity to really provide a competitive Nation-wide service, when and if every community desiring television can support it economically.

But the Commission stuck to the very high band, assigned 13 channels and adopted standards which limited the operation to black-and-white television. This was done despite the fact that one of the large units in the radio industry testified at length and fought to secure a decision which would permit operation of color television. But an even larger cog in the industry vigorously opposed color standards at that time, and insisted that the industry was not ready for good color television.

Commission adoption of that view, whether or not it was technically correct at the time, further entrenched monopoly control of television. When the decision came down for black-and-white operation, every major unit in the radio broadcasting industry which could afford it filed applications and sought to expedite construction of television sta-

tions. In the forefront of this movement was the National Broadcasting Co., a subsidiary of the Radio Corporation of America, which probably has done the major experimental work in television, and which asserts control of the overwhelming majority of basic patents for the manufacture of television transmitters as well as receivers. It is to the credit of the Radio Corp. that it risked its capital, even though that was no eleemosynary act on its part, in view of its dominant position in the industry and its tremendous investment in patents. It is obvious that as the industry prospered, the company prospered. It had opposed color; it had opposed opening up the ultra high band to commercial operation; it had advocated certain engineering standards; and it had won Commission acceptance all down the line.

#### TELEVISION SERVICE LIMITED

Under the regime of former Commission Chairman Charles Denny, now an executive vice president of the National Broadcasting Co., the 12 channels first assigned would restrict television to 394 stations in 140 metropolitan communities in the United States. Some cities would have as many as 5 stations; some only 2. If Senators thought all the cities in their States were going to have television, they had another "think" coming. There are more than 2,000 cities in this country with a population of 5,000 or over, and obviously some 1,800 cities were not to have television under the original plan.

That allocation could not stand up. When Senators and Members of the House of Representatives would finally realize, a year or two hence, that television had become a caste service and could be made available on a Nation-wide basis only through a scheme that pumped the New York and Hollywood programs through a monopoly-controlled system, all the past criticisms and complaints about the Commission would fade into insignificance when compared to the roar which their constituents would thunder at them.

So the experts were summoned to testify again. The principal difference now was that those who previously had urged that color television be permitted in the present channels were strangely silent. Under the law, the Commission is directed to promote every advance in the art. It dare not sit idly by waiting for the industry to time progressive steps. Memoranda from some of the Commission's own technical people showing that color could be used and that additional frequencies could be employed were not touched upon, and the serious problem of patent controls was hushed up. Everyone in the industry was actively pushing black-and-white television; no one wanted to be left behind in the race for the lucrative profits that were anticipated from advertising.

After this hearing, the Commission proposed a revised allocation of television channels. This time it broadened the base; the total number of cities that might have television was increased to 459, and the total number of stations was boosted to 955. This is still a long way from giving competitive television service to the people of the United States.

The theory was fine, as far as it went; but would it work? How much separation was necessary between channels occupied by different stations in the same town? How close or how far away could one town be from another for an acceptable use of the same channel? To what extent will there be blurred reception in an area where two stations in nearby cities are on the same channel? An ad hoc committee was created to find the answers.

But this committee of experts faced an even more embarrassing problem. Several years before, the Commission had removed other services from the very high frequencies, and had granted their channels to television. That was done even though some engineering authorities asserted at the time that it was an unwise allocation and would bring headaches. Now the committee of experts finds itself in a quandary. Their new engineering data appears to be at sharp variance with the data that was used several years before to support the original television allocation.

Now it is discovered that television stations on the same channels must be 225 miles apart to insure no interference. In order to slow up the opening of the ultra-high frequencies, the high and mighty in the industry are attempting to convince the Commission that synchronization solves the interference problem. It did not solve it between Detroit and Cleveland.

Perhaps the committee of experts hesitates to write a report which will make clear that the present television allocation scheme just will not work; that too many stations have been allocated on the same channels in cities too close to each other. Such a finding would buttress with engineering documentation the frequently repeated charge that the original television allocation was and is a monopoly device. Also such a finding would make obvious the need for a quick shift into color and the ultra-high frequencies, so that a nonmonopolistic and truly Nation-wide television service might become available.

Assuming that the expert committee is permitted to make an objective and factual report, the present Commission must either openly disavow the television allocation of a few years ago and start all over again, or else fumble around in an attempt to remedy the basic error that was committed.

Unfortunately, the Commission, under its new Chairman, continues the search for a way to patch up the abortive allocation. Their planning does not contemplate a new and fresh start. Apparently, the pressure is too great and the Commission too timid to take such a constructive step. Last September the Commission proclaimed a freeze on further television applications while it worked out the complicated details. That freeze continues today.

That the Commission recognized fully that the ultra-high frequencies would be necessary eventually, is obvious from the fact that it set aside those frequencies for television. Some day, an alert and progressive Commission is going to open the ultra-high frequencies to commercial



television operation. Some day, an alert and progressive Commission is going to allow color television to be operated. Since such steps will prevent monopoly and tight control, powerful industry interests, anxious to tune the time to its own profits, connive for delay. Perhaps it is natural they should do so. But why should the Commission be blind?

A large corporation, holding control of basic patents on transmitting and receiving equipment, collecting royalty tribute from all other manufacturers, and owning five television stations favorably located in the largest cities, has compelling economic reasons for freezing television allocations and standards until the time is ripe for the shift. It needs time and opportunity to build a Nation-wide network; it wants time and opportunity to merchandize millions of receiving sets. Then, when an obliging Commission would agree and announce that television is ready for the new day, the second skimming of the cream could begin. The Commission apparently is naive enough to believe that monopoly is avoided because patents are freely licensed; they do not appear to understand that if the timing of each step can be influenced, the selfish objective of monopoly control has been effectuated.

Under these circumstances, it is obvious why Representative HARRY R. SHEPPARD has again proposed legislation which would effectively bar all manufacturing enterprises in the communications field from holding a broadcast license or operating a radio network. Such a prohibition would remove once and for all the constant specter of monopoly, with which no commission seems able or willing to deal.

There are other disturbing facets to this monopoly picture. Broadcasters who have been convicted of antitrust violations are granted increases in power; interests who have accepted consent decrees stand defiantly at the counter demanding the right to get into television; networks "move in" to exert even greater control of their affiliates by becoming brokers for national advertising. The Communications Act itself makes quite clear that convicted monopolists should not hold licenses. But strangely enough, the Commission has never promulgated a rule which would settle directly once and for all its own interpretation of the act on the rights of those who have run afoul of the antitrust laws. It gives lip service to its network rules.

The Communications Act, which the Commissioners have sworn to administer honestly and faithfully, solemnly declares that they shall "generally encourage the larger and more effective use of radio in the public interest," and it makes certain and positive it is their duty to protect the public interest, convenience, and necessity and preserve competition.

In the final analysis the Commission has one overriding duty—to push the development of the art. It has data and skilled engineering advice in its own files which say that color is ready, that the higher frequencies can be used.

#### TELEVISION FACES CHANGE

Television today is not what this visible art will finally be any more than the Wright Brothers' *Kitty Hawk* can be

compared with today's jet-propelled bomber. Already, television in the laboratory surpasses in every material aspect what is on the market. The imposition of arbitrary standards by a Government agency can have no other effect than to freeze the art until such time as powerful interests order the thaw. Standards must be elastic so that American brains and inventive genius will have freedom and the challenge to move forward as fast as science permits.

Let me make it clear that no one realizes more than I what difficult and vexing engineering decisions are involved. Television today is still a rich man's game; pick-up and transmission equipment costs huge sums of money; the existing channels which have the better coverage have been assigned to the large cities; and uncertainty and confusion continue to exist about allocations and standards. The ultra-high frequencies which offer so great an opportunity for expansion and competition are not yet fully explored for the visible art, largely because they have not been allocated for television use.

#### MAKE TELEVISION COMPETITIVE

All that I am seeking is to make television a wide-open competitive business. Development and improvement will then come along rapidly under our free-enterprise system. There can be no objection to the big networks getting into television; on the contrary, we should be glad that they took the initiative and risked their capital, and I commend them for it. But I do not want the Commission to be their pawns. I do not want the Commission to wait until the last boat in this fascinating field has put to sea with none of the little fellows aboard.

Some way must be found to make it possible for the little fellow to get into the business, and to get in as rapidly as possible. As television pushes forward in the radio field, the source of the present radio stations' advertising revenues will dry up; the average broadcaster cannot stand those losses for 5 or 6 years. He must be given the opportunity now to make constructive adjustments.

If there is to be a preferred class for television licenses, certainly those who pioneered in the radio industry, those who have rendered a magnificent public service in the broadcast field, are entitled to consideration. The grandfather tradition must not be forgotten. The Commission has recognized that its first allocation plan is wrong; it has proposed a second plan which is also wrong; while there is still time to rectify the mistake, it might give consideration to a plan which will allow the average broadcaster in the average-sized city to get into television and promote the same very satisfactory and effective competition we enjoy in radio today. Color television will help the little fellow, because he could sell local advertising which he cannot sell with black and white. Opening up the ultra highs to commercial operation with color would compel the radio industry, with the laboratories and the large staffs of skilled engineers, to get in and develop the ultra highs, instead of hanging back to exploit first the lower frequencies.

What I am concerned about, and what every Member on this floor and in Con-

gress must be concerned about is, in the future, who will furnish television programs; who will control the media; who will own the stations?

In this magnificent frontier of modern miracles slumbers the opportunity to revitalize and expand freedom of information. It is a job to which every individual commissioner and every Member of Congress should address his undivided attention, remembering first and foremost that the cornerstone of American life is the freedom of the individual—freedom in his economic pursuits and, above all, freedom of thought and ideas. The Congress, working closely with the Federal Communications Commission as a team, fighting to protect the people, can make these freedoms living realities.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Anderson	Hendrickson	Mundt
Brewster	Hickenlooper	Myers
Bricker	Hill	Neely
Bridges	Hoey	O'Connor
Byrd	Holland	Robertson
Cain	Hunt	Saltonstall
Capehart	Ives	Schoeppel
Chapman	Johnson, Colo.	Smith, Maine
Connally	Kefauver	Smith, N. J.
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Eaton	Langer	Taft
Ferguson	Lodge	Thomas, Okla.
Flanders	McCarthy	Thye
Frear	McClellan	Tydings
Fulbright	McFarland	Vandenberg
George	McMahon	Watkins
Gillette	Malone	Wherry
Green	Martin	Wiley
Gurney		Williams

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). A quorum is present.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. CAPEHART. Madam President, only a few days ago I cast a vote in the Senate to retain the protection the minorities of this country have enjoyed since this free Government of ours was established.

At no time since I have been in the Senate have I intended my vote to be for the benefit of one class of our people to the exclusion of another class. I intend maintaining that consistency. For that reason I want to speak briefly in support of the amendment which is now pending, and which certainly is designed to prohibit the passage of class legislation.

I have reference to the amendment intended to be offered by the able junior Senator from Ohio [Mr. BRICKER], and I ask at this time that the amendment be printed in the body of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment intended to be proposed by Mr.



BRICKER was ordered to be printed in the RECORD, as follows:

On page 28, and after line 11, insert the following:

"(9) In recognition of the fact that public policy requires equality of treatment of all people and prohibits discrimination or segregation on account of race, color, creed, national origin, or ancestry in regard to public housing, every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that the housing project to which the contract refers shall be operated without discrimination or segregation. Any person who in the management or operation of such housing discriminates or attempts to discriminate against any person, family, or group of people on account of race, creed, or color shall be guilty of a violation of this section and shall be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both such fine and imprisonment. Any citizen or organization may enjoin the violation of this section in any court, State or Federal, of competent jurisdiction."

Mr. CAPEHART. Madam President, if the Congress is to authorize the collection of taxes and the expenditure of those taxes for the purpose of building homes, then we have no right to exclude any class of our people from the right to live in those homes. In fact, I am somewhat disturbed that it is necessary for the Senate to consider an amendment which would make such a bill free of discrimination and free of segregation.

We are not presented with a bill which says that only one class of people shall pay the taxes necessary to build these homes. Why should we be asked to act on a bill which says that only one class of people can live in the homes, or a bill which leaves the decision in the hands of one man or one bureau as to who shall live in them?

Not long ago we were asked to place in the hands of one man the right to determine the fate of minorities. Now we are asked, by the housing bill, to place the rights of minorities in the hands of one man or one bureau. Is that a sample of what some people mean by civil rights, or equal rights?

Verbal and printed charges have been hurled from very peculiar sources, to the effect that this amendment was designed to kill the housing bill. I, for one, am anxious to see who it is who can be blamed for any denial of civil or equal rights in the Senate. Who wants to take the money from all and spend it on houses for only some of the people?

Who is doing the talking for minorities and voting against them?

I think we have taken enough rights away from our people. I think it is time we should recognize that they still have some rights left, and that we should act to protect those rights.

Mr. THYE. Madam President, will the Senator yield for a question?

Mr. CAPEHART. In a moment. I ask unanimous consent that there be printed in the body of my remarks a resolution directed to certain leaders of the Senate by the National Negro Council.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

COPY OF RESOLUTION SENT TO SENATOR LUCAS, MAJORITY DEMOCRATIC LEADER, SENATOR MYERS, DEMOCRATIC WHIP, SENATOR TAFT, CHAIRMAN, MINORITY POLICY COMMITTEE, AND SENATOR WHERRY, MINORITY REPUBLICAN LEADER, DEMANDING SUPPORT OF BRICKER ANTI-DISCRIMINATION AND ANTISEGREGATION AMENDMENT IN MULTI-MILLION-DOLLAR NATIONAL HOUSING LEGISLATION BY THE NATIONAL NEGRO COUNCIL.

The Civil Rights Conference of the National Negro Council, in a resolution, protested the unanimous action of the Senate Democratic caucus in ordering the defeat of the Bricker antidiscrimination and anti-segregation amendment, proposed for inclusion in the multibillion dollar national housing legislation. This apparent public and open conspiracy to sabotage the constitutional guaranties of equal rights to 13,000,000 Negroes, would actually give official sanction for all time to come to such denial of their civil rights in the pending housing bill.

Such Senate action on the heels of the filibuster debacle by the Democratic majority of the Eighty-first Congress would serve notice of the complete repudiation of the President's civil-rights promises and the platform pledges of the Democratic National Convention in Philadelphia last summer. \* \* \*

The Civil Rights Conference, therefore, calls upon the Democratic and Republican leadership in the Senate, in keeping with the civil-rights pledges of both parties in their platforms and in this first opportunity for a direct vote on civil rights for Negroes in the Senate, to support the enactment of the Bricker antidiscrimination and anti-segregation amendment as part and parcel of the national housing legislation or stand exposed for political insincerity and co-partners with the Democrats in perpetuating the present Federal housing policies of racial discrimination and segregation.

EDGAR G. BROWN,

Director, National Negro Council.

Mr. CAPEHART. Madam President, I also ask to have printed in the RECORD at this point a statement of Edgar G. Brown, director of the National Negro Council, made before the subcommittee of the Committee on Banking and Currency of the Senate, pages 369 to 384, when the subcommittee was considering general housing legislation.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF EDGAR G. BROWN, DIRECTOR, NATIONAL NEGRO COUNCIL

Mr. BROWN. My name is Edgar G. Brown, director of National Negro Council.

I wish to express my thanks to the chairman and the members of the committee for this opportunity to present our views relative to this important and imperative national housing legislation and the equally vital matter of expediting its consummation. No doubt there is not a single statesman among the 531 Members of Congress who has not been impressed recently by the tragic and challenging picture carried in the local press; slums and hovels in which thousands of good and patriotic Americans live and call homes right in the shadow of the Capitol of the most powerful and wealthy nation of the world.

No doubt the members of this great committee are among the Senators of clear vision and tender conscience who have looked out on this sad spectacle and resolved to do something to wipe out this blot on the Nation's escutcheon and to set a nobler example of democracy and representative government.

Certainly this is no time to be chided for man's inhumanity to man before the court of world public opinion. Moreover, we might presently find our own people questioning both the moral as well as the economic soundness of yearly expenditures of \$6,000,000,000 abroad and only quibbling over civil rights at home, and victorious American veterans of every race, color, and creed, homeless and no better off than the frightened animals now in their former foxholes and as disillusioned as the conquered Germans and Japanese.

If I may be indulged for a few moments, I wish to call the attention of the committee to two recent news stories, pertinent and enlightening, which appeared in the Afro's Washington edition.

Mr. Chairman, knowing that it is nearly noontime, I would like to summarize what is in these two articles, and if you don't mind having them printed completely in the record, I would appreciate it.

Senator SPARKMAN. Let them appear in full in the record, and you summarize, as you wish.

Mr. BROWN. Thank you. This is an article in the Afro-American newspaper, Washington, D. C., January 25, 1949: "Mixed housing project in Manhasset sets pattern for democratic living; 12 people of various races, creeds, put over \$1,500,000 program with State's aid."

It outlines how a group, more or less informally, of all races sat down and counseled together as to their community needs. They then advised with the proper authorities, and as a result the project is now consummated, and all races are living in the project. The same thing happened as was testified, and I was glad to hear it this morning, from the treasurer of the State of Georgia. In this case where this project was located in New York, juvenile delinquency and the usual crime incidents, morbidity, and so on were eradicated appreciably. Judges and other public officials so agreed.

The other article is also from the Washington Afro-American of February 8, 1949: "10,384 dwellings needed to ease housing shortage."

Here in the Nation's Capital "War units now 'rapidly going to pieces,' NCHA says; asks for 5,500 low-rent houses."

This is a Government report, Mr. Chairman, outlining the things that you well know already.

Senator SPARKMAN. And you wish to have that article in the record, also?

Mr. BROWN. If you please, sir, and one other from the study on segregation and housing in the Nation's Capital.

Senator SPARKMAN. Let it be inserted. The articles and study referred to follow: "MIXED HOUSING PROJECT IN MANHASSET SETS PATTERN FOR DEMOCRATIC LIVING—12 PEOPLE OF VARIOUS RACES, CREEDS PUT OVER \$1,500,000 PROGRAM WITH STATE'S AID

"NEW YORK.—The story of how a 110-unit interracial housing development became a reality in Manhasset, N. Y., following a conference of 12 residents representing various races and creeds 4 years ago in the living room of Mrs. Dorothy Fremont Grant was unfolded here last Thursday to the Catholic Interracial Council.

"Contracts for the projects, which will cost \$1,500,000, were signed on January 12. It will replace slum conditions in the area inhabited by the majority of Manhasset's colored residents, estimated at more than 1,000.



**"ORIGINAL PLANNERS**

"William H. Pusey, who with his wife was among the conferees, told the Catholic Council they were invited by Mrs. Grant to her home to discuss race relations and its bearing on the town of Manhasset.

"The group consisted of George K. Hunton, editor of the Catholic Interracial Review, who served as moderator for the discussion; two representatives of the Jewish population; two colored residents; the Puseys, and others.

**"SLUM CONDITIONS TOLD**

"The group noted that out of the 191 dwellings, housing about 700 colored people, 81 required major repairs, and 31 were actually unfit for habitation.

"Mr. Pusey said some were nothing more than garages and chicken coops, and one was a store with curtains as partitions, occupied by two families totaling eight people. Ten percent of the dwellings had no electricity and many had no inside toilets or bathing facilities, water, heat, or cooking gas.

**"TIMELY WARNING HEADED**

"All of us agreed that a housing project was called for," Mr. Pusey said. When this was decided Mr. Hunton warned against two things: He advised the group not to call in any politicians on their problem, and urged them to be on the watch for outside interests which might come in and defeat their purpose of providing good housing for the underprivileged.

**"ENDORSED BY COMMUNITY**

"The group went to work. Civic associations were contacted and found to be in favor of correcting the existing conditions. A committee was created, a report of the housing situation was prepared and endorsed by prominent residents. A petition was then filed with the State legislature asking it to create a housing authority for Manhasset.

**"STATE LENDS SUPPORT**

"The bill was passed by the legislature in March 1946 and members of the housing authority were appointed in May of the same year, one of whom was a member of the original sponsors.

"The housing authority then made a survey based on standards established by the State housing commission. This survey was approved in January 1947, and the way cleared to make application for funds.

**"FINANCING APPROVED**

"In October 1947 the State housing commission gave its approval for issuance of funds to build the project, final details for which were completed on January 12.

"The area will be fully landscaped and will cover 11 acres. Since the original plans were made, the site has been enlarged by an additional 20 acres made available by John Hay Whitney, financial and social leader.

**"RENTAL AND SERVICES**

"The apartments will have an average of four rooms each and will rent for approximately \$8.70 a room per month which will include heat, gas, and electricity.

"This is the first time an unincorporated town in New York has obtained State funds for a housing project.

**"EXAMPLE FOR OTHERS**

"Mr. Pusey cited the calling of the conference by Mrs. Grant and the development which followed as an example of what any community can do about its housing problem, if it is willing to work cooperatively without regard to race or color. He concluded:

"I hope as a result of our forum this evening, you will take away with you the satisfying thought that another substandard housing condition for colored people is about to be replaced with decent housing."

**"EVERYBODY'S JOB**

"But beyond all this, I should like you to take away the idea that I have tried to demonstrate that a small representative group, motivated by a worth-while ideal and competently directed, can achieve outstanding results and other communities can obtain the same results with its problems as was achieved in our town.

"It can be done, but remember you have to do it."

**"TEN THOUSAND THREE HUNDRED AND EIGHTY-FOUR DWELLINGS NEEDED TO EASE HOUSING SHORTAGE—WAR UNITS NOW RAPIDLY GOING TO PIECES," NCHA SAYS; ASKS FOR 5,500 LOW-RENT HOUSES**

"Some 5,500 permanent low-rent dwellings and replacements for 4,884 war housing projects, now in a serious state of deterioration, are needed in Washington as soon as possible and should be erected by both public and private concerns, the National Capital Housing Authority advised in its 1948 annual report released last Monday.

"Nearly all of the war-housing units, most of which are temporary, are 'rapidly going to pieces,' the report stated. 'It is estimated that there are in the District of Columbia more than 44,000 substandard dwellings occupied by more than 44,000 low-income families,' it continued.

**"BAD PLACE TO LIVE**

"NCHA said that Washington is a very bad place to live for many thousands of families who occupy its slums, its cheap rooming houses, and the residue of its old alley dwellings.

"It is clear that sites should be provided for proper dwellings for the estimated 44,000 low-income families. There is need for relief of the intolerable house overcrowding in the older congested and deteriorated areas of the city and the scarcity of sparsely occupied areas available for redevelopment by residential construction, it was pointed out by John Ihlder, executive officer of NCHA.

**"ADMITTED ONLY 276 FAMILIES**

"The authority admitted a total of 276 low-income families to permanent housing during 1948, it was reported. The heaviest concentration of addresses of new tenants was found in the decayed northwest section which extends from Florida Avenue southward to Massachusetts Avenue, and from North Capitol Street, westward to Fourteenth Street, represented by census tracts 44 to 50.

"This segment is noted for its slums, its high crime rate, juvenile delinquency, disease, and infant mortality. This one slum area in 1940 contained 6,013 unfit dwellings, 19 percent of all slum housing, declared NCHA.

"The authority reports having served 10,988 callers during the fiscal year 1948. It had active applications of 5,272 as of July 1, 1947, representing 3,925 for war housing and 1,347 for low-rent housing. As of June 30, 1948, there were 6,665 applications on file.

"Out of a total of 1,746 applicants assigned to NCHA dwellings during the fiscal year, 432 were colored—199 of these going to war houses and 233 to low-rent housing.

**"SYPHAX PRAISED**

"The report cited the Syphax housing program, southwest project, as 'a splendid example of what can be done when the right thinking people in a community join forces in a well-planned program to benefit all.'

"A complete résumé of the work carried on at Syphax, as reported in the Afro several months ago, is contained in the annual report.

"Out of 8,146 dwellings in Washington operated by NCHA a total of 4,137 are occupied by colored persons."

**"STUDY OF NATIONAL COMMITTEE ON SEGREGATION AND HOUSING IN THE NATION'S CAPITAL****"SEGREGATION, INC.**

"Race segregation here is a 'natural state,' and certain groups which agitate against it are 'unscrupulous' and 'un-American,'" President of Federation of Citizens Association, Washington Post, October 15, 1947.

**"Is segregation American?"**

"It might surprise the people we liberated from Nazi ghettos to know that race segregation is defended as both 'natural' and 'American' by the business and property interests that dominate the Nation's Capital.

"But the fact is that the leaders who call segregation natural are the ones who enforce it. There is no reason to suppose the practice is American.

"The situation can be expressed most briefly by setting side by side the Federal statute recently cited by the Supreme Court in holding restrictive covenants unenforceable,<sup>1</sup> and the present rules of practice of the Washington Real Estate Board, representing the principal enterprise of the city.

**"ACT OF CONGRESS, APRIL 9, 1866<sup>2</sup>**

"All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey, real and personal property.

**"WASHINGTON REAL ESTATE BOARD CODE OF ETHICS, 1948<sup>3</sup>**

"No property in a white section should ever be sold, rented, advertised, or offered to colored people. In case of doubt, advice from the public affairs committee should be obtained."

**"The real-estate board**

"Among the active members of the real-estate board, and subscribing to its code of ethics, are 25 banks, insurance, and title companies, and building and loan associations. Because of the absence of heavy industry, these groups hold a position of unchallenged leadership in the economic life of the community.

"The District's only industry of consequence is the Federal Government and its great expansion, financed by all the taxpayers of the Nation, has supported one of the most profitable real-estate markets in the country. Since 1900, the Nation's Capital has doubled and then doubled again in population.

"Yet the real-estate interests have used their privileged position to bar Negroes from most of the growing city, and to confine them tighter and tighter in racial ghettos. Under their code of ethics, they have acted jointly to deprive colored citizens of their equal right to purchase, lease, sell, and hold property.

"On what ethical ground have they done this? On the ground that equal rights for colored people would depreciate property values in white neighborhoods.

"Is this good ethics? What is meant by 'depreciating property values'?"

**"Negroes as home owners**

"Real-estate men themselves report that Negroes make good home owners, and that, given a chance, they take care of their property. A few years ago, the National Association of Real Estate Boards published the results of a survey it conducted among the

<sup>1</sup> Hurd et al. v. Hodges et al. (1948, 68 Supreme Court Reporter 847).

<sup>2</sup> 14 Stat. 27, 8 U. S. C. No. 42.

<sup>3</sup> Code of Ethics, sec. 5, art 15.

<sup>4</sup> As a general rule, the board takes the position that any neighborhood is white if 50 percent or more of its inhabitants are white (Doc. No. 109).



local boards. Here are the answers to some of the questions:

"1. Does the Negro make a good home buyer and carry through his purchase to completion?"

"Yes," was the almost unanimous reply \* \* \* "very good." Better than whites of the same economic status," some cities report. "Their tenacity and willingness to sacrifice to hold on to their homes far exceed whites."

"4. Does the Negro abuse property, or does he take as good care of it as other tenants of comparable status?"

"He takes good care of it, in many cases better care than other tenants of his economic group, say 11 cities (73 percent of those reporting). \* \* \*

"5. Do you think there is a good opportunity for realtors in the Negro housing field in your city?"

"Yes," say almost two-thirds of the cities (63 percent). "Splendid opportunity," say boards in some of the largest cities \* \* \*.

#### "Segregation is good business"

"The local real-estate board has nothing against Negroes as home owners." But exclusiveness has a market value, and is a substantial factor in determining what many white people will offer for residential property. Thus, segregation is good business.

"By throwing up racial barriers, a realtor can capitalize on the racial feelings of some of his customers without making the property less valuable to others. Once this process starts, racial prejudice becomes an investment, and enters into the resale price of all lots in the area.

"In this way Negroes have been barred from most of the new subdivisions, and they are now being boosted out of many old neighborhoods where they lived undisturbed for generations. A striking example is Georgetown, throughout which colored people formerly lived intermingled with whites.

#### "How money was made in Georgetown"

"Since the 1920's, this old part of Washington has been promoted as a quaint, historic, desirable place for white people to live. The dispossession of the Negro residents is part of the redevelopment project, and is jointly managed by the city's leading realtors and their allied banks and trust companies.

"A few Negro home owners have succumbed to inflated prices, and have sold willingly. Others have been compelled to sell after being refused loans for repairs and improvements. As a matter of policy, the lending institutions of Washington deny credit to colored people in regions being prepared for whites.

"Many Negro tenants have been evicted so that white owners could remodel and rent or sell to whites at substantially increased prices. And as the white developers have moved into Georgetown, they have covenanted it block by block with racial restrictions to keep any Negro from returning.

#### "Uprooted from Civil War settlements"

"In the same way, the old Negro settlements around the Civil War fort sites have been gradually whittled down. The white population, once indifferent to these hilly regions because they were too far out of town, has come to consider them highly desirable residential sections. Few colored families have been able to resist the methodical real-estate purchasing agent, or fight the condemnation or cutting up of their property by new roads and subdivisions.

\* Realtor Work for Negro Housing, National Association of Real Estate Boards, October 24, 1944.

\* In the Capital, restrictive covenants have been directed more and more against persons of Jewish descent.

"Twenty years ago the West End was a good-sized Negro community. But new public buildings and recent additions to George Washington University, forbidden to Negroes, have given real-estate interests a chance to develop much of this area west of the White House into an exclusive district of luxury apartment houses for whites.

"Large areas formerly occupied by Negroes have been condemned for Government buildings, parks, schools, and highway systems. In recent years many Negro families have been dislodged by the new Federal buildings on Constitution Avenue, by war-housing projects for whites in the Garfield section of the southeast, by the expansion of the navy yard, and the superhighway network built to service the Pentagon Building and the National Airport.

#### "America's displaced persons"

"Colored people are displaced by public improvements more often than whites because they are concentrated in the blighted downtown areas that are suitable for public construction. And once unhoused, they are worse off than whites because they cannot move freely in the District.

"Under the code of ethics of the real estate board, they are crammed tighter and tighter into the already bursting Negro ghettos. During the war a Washington newspaper reported:

"The crowding in the slums of the District has also been intensified by the fact that not only housing but the areas formerly occupied by Negroes have decreased. Various developments such as public buildings, war housing projects for whites, and new roads have swept away many acres of ground heretofore open to Negro occupancy." \* \* \*

#### "Negroes pay for exclusion"

"Deprived of his equal right as a citizen to participate in the growth of the capital, uprooted from many old scattered communities because exclusiveness can be sold, the Negro is herded into the inner zones of the city. And here for the second time his segregation is capitalized, and he is made to pay for his own exclusion.

"Negroes in the same economic groups are better pay because the demand for housing is so much keener." (Realtor Work for Negro Housing (1944), National Association of Real Estate Boards).

"Because the areas in which Negroes can live are artificially limited, they must pay more for the same housing than white people. Uncontradicted evidence in a recent Supreme Court case showed that property in the 100 block of Bryant Street NW., an area of mixed occupancy, is priced 30 percent higher to Negroes."

#### "Going and coming"

"As a result, the same real-estate interests that make money by excluding colored people from new subdivisions are able to collect inflated rentals from the slums into which they are driven. A profit is made on the Negro going and coming.

"The Negro home owner is forced to assume exorbitant financing costs. Staggering under the burden of his payments, with an income lower than a white man's, he is usually forced to take in roomers and subdivide his property in order to save it.

"What all this means to Negro families and also the community was recently summarized in an opinion rendered by Justice Edgerton of the Circuit Court of Appeals for the District of Columbia:

"That enforced housing segregation, in such circumstances, increases crowding,

\* Washington Post, February 6, 1944.

\* *Hurd et al. v. Hodge et al.* (1948, 68 Supreme Court Reporter 847).

squalor, and prices in the areas where Negroes are compelled to live is obvious. It results in doubling up, scandalous housing conditions for Negroes, destroyed home life, mounting juvenile delinquency, and other indications of social pathology which are bound to have their contagious influence upon adjoining white areas."

#### "The citizens associations"

"The Negro gets blamed by white people for his own segregation. Compressed, he is held responsible for the pressure. His concentration, which is the white man's profit, is regarded as a mobilization. His painful necessity of paying more becomes a fifth-column threat to the racial integrity of adjacent white areas. The Minutemen who defend these ramparts are gathered into the citizens associations.

"It's too bad you can't take a nice healthy club or crow bar and lay them (Negroes) in the gutter where they belong" (speech before Dahlgren Terrace Citizens Association, reported in Washington Post, September 18, 1947).

"Originally the citizens' associations were neighborhood improvement societies, interested in such things as trees and flowers, schools and parks, and improved city services. Not until the 1920's did they become actively concerned in the containment of Negroes, and turn into a front for the real-estate interests.

#### "Theirs is not to reason why"

"These neighborhood groups did not manage the higher strategy by which the Negro was barred from most of the District and piled up in the inner zones. But they were the first to feel the pressure, and the responded in a kind of reflex action. Instead of demanding of civic leaders that colored residents be allowed to thin out in other areas, they built fences of their own and made the pressure worse.

"In the drive to exclude the Negro, the federated citizens' associations have functioned as the front-line shock troops, completely his encirclement by a network of mutual defense pacts, or agreements not to sell, erected all around the inner zones of the city. Their job has been to hold the line and sound the alarm whenever danger threatens.

"Recently the alarm sounded in Congress Heights in Southeast Washington.

"It was reported that two houses in this area had been sold to colored families, and 500 white property owners braved inclement weather to attend a hurriedly called mass meeting. Upon assembling, they were told that a collection had already been taken up and that both houses had been bought back from their Negro owners at premium prices. But a leader warned of a continuing threat:

"We called you here to plead with you not to sell to a colored person \* \* \*. Colored persons might offer \$1,000 or \$2,000 more, and that's a temptation." (Speech before Congress Heights Citizens' Association, reported in Washington Evening Star, September 18, 1947.)

#### "White victims of segregation"

"The white people who belong to these citizens' associations are themselves victims of the over-all segregation policy. The profit is not for them. The fact that the Negro's exclusion can be capitalized is their main worry. What they fear is the high price that colored people are forced to pay, and are willing to offer. They don't want to sell.

"What is important to most whites is the value of property as a place to live, and this value is threatened by the construction of racial barricades. With each Negro segregated, the fear increases in adjacent white

\* Dissenting opinion, *Hurd et al. v. Hodge et al.* (1947), 16 Fed. (2d), 233, 235).



communities as if a dam were about to break. When a crack appears, panic may ensue and the white owner may suffer an actual monetary loss.

"But worse than any derangement in property values is what happens to the relations of men. When bigotry is incorporated, normal human values are destroyed and every Negro becomes a menace.

*"The whites seemed to get scared*

"We lived for 16 years in this neighborhood. For 10 of those years we were the only colored family in this block, and we were completely accepted. Then, some time ago, the whites seemed to get scared about an invasion of Negroes, and they started to get up a restrictive agreement. After they had all signed up, they came around to ask us to sign the agreement, too.

"We were surprised that they would come around to us with a thing like that, but they just said: 'You're different. You know we all like you, and it isn't people like you that we want to keep out.' Then my father said: 'Do you know what you are asking me to sign? You are asking me to promise not to sell my house to my own brother, and if I sign this thing I can't even deed it to my own son.'" (Statement of Negro Government employee (case C-121).)

*"In no-man's land*

"As the color lines draw tighter, a kind of no-man's land is growing between the races in the capital. It is becoming more and more rare for white and colored people to live together in the same neighborhoods, or even to have a speaking acquaintance with each other.

"However, fringe areas develop where the races are jammed together in slums, and where it is not practicable to capitalize any kind of 'exclusiveness.' A detailed field study of one of these mixed neighborhoods was undertaken recently to discover how the races got along under such adverse circumstances.

"The neighborhood selected was a 3-block stretch on the southern edge of the main Negro ghetto a few blocks from the downtown business district. Its buildings are old brick structures in varying stages of dilapidation. The tiny yards are mostly uncared for, and are marked off by fences in need of repair. Elaborately wrought ironwork decorations are epitaphs of a better day.

*"No trouble reported*

"In these three blocks live approximately 600 adults, 60 percent of them white and 40 percent Negro. The Negroes are more crowded than the whites. Whole families live in one room, cooking on hot-plates or small stoves. Stairways, walls, floors, and plumbing are in bad shape. Ordinary locks have become useless and have been replaced by padlocks.

"The great majority of white people in the area are natives of the South. Two-thirds of those interviewed had lived in the neighborhood for more than 1 year, and one-third had lived there for more than 5 years. Negroes first moved into the area about 10 years ago.

"At the end of each interview, the following question was asked, phrased to point up factual personal experiences, as distinguished from attitude, opinion, and hearsay:

"Question. Have you or any members of your family ever had any difficulty or trouble with the colored (white) people on this street?

"Result. Of the 209 adults covered (126 white, 83 Negro), trouble was reported for only one person. He was a white man who said of Negroes: 'They make too much noise at night.'

*"People get along*

"Opinions and attitudes were not asked for, but one elderly woman who was born in the

South and had lived in the neighborhood more than 10 years said:

"The Negroes give no trouble. They're good neighbors. I always liked the ones who bought property beside us 6 years ago. The man takes an interest in his place. We say 'hello' and chat often. They're noisy, at times, but who isn't? Yes, we get along fine' (Case N-46).

"Careful observations of this area over a period of years support the conclusion that at all ages the people get along with one another, in spite of serious overcrowding, a low educational and income level, and the presence of white southerners in unusual numbers. A matter-of-fact way of life has developed.

"The races trade together in the same drug stores, grocery stores, and neighborhood shops. In the middle block, white and colored children frequently play together. Occasionally, one can see such signs of approval as a white mother turning a jumping rope for a couple of girls of both races, or a father joining in a ball game with a mixed group of boys.

"It is not in the field of spontaneous human relationships that trouble occurs in Washington, but on a high-policy level where the segregation of the Negro is planned as a matter of good business, and investments are made in the denial of his equal right to own property. It is not the poor whites who set the pattern, but men of acknowledged culture and refinement, the leaders of the community."

"Allied against the Negro in this doubtful enterprise, in spite of contrary ideals and professions, is the full majesty of the United States Government.

*"NEGROES ARE AMERICANS*

"It is one thing when private tenants, property owners, and financial institutions maintain and extend patterns of racial segregation in housing. It is quite another matter when a Federal agency chooses to side with the segregationists."—Gunnar Myrdal, *An American Dilemma*.

"In a matter involving the rights of citizens in the Capital, it is impossible for the United States Government to be neutral. It must adopt a policy in favor of treating Negroes as Americans or help deprive them of their rights.

*"The courts admit error*

"For a generation, the Federal courts of the District of Columbia have helped real-estate men enforce agreements not to sell land to colored people. But the Supreme Court has now decided that such action violates the act of Congress,<sup>10</sup> giving all citizens of the United States the same right to purchase, lease, sell, and hold property.

"In an historic decision handed down in the spring of 1948, the high court reversed an order of the District Federal court evicting colored families from homes they had bought and paid for on Bryant Street NW., in Washington. Chief Justice Vinson delivered the opinion of the Court:

*"OPINION OF SUPREME COURT*

"Solely because of their race and color they are confronted with orders of court divesting their titles in the properties and ordering that the premises be vacated. \* \* \* We hold that the action of the district court directed against the Negro purchasers and the white sellers denies rights intended by Congress to be protected by the Civil Rights Act, and that, consequently the action cannot stand.

<sup>10</sup> Sec. 1978, Rev. Stat., 8 U. S. C. 42: "All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."

"But even in the absence of the statute, there are other considerations which would indicate that enforcement of restrictive covenants in these cases is judicial action contrary to the public policy of the United States." \* \* \*

*"Damage has been done*

"Even if all Government agencies were now resolved to protect Negroes in their rights as Americans, it would not be easy to undo the admitted wrong that has been done them. The best areas of the District have already been preempted by whites, and the heart of the Capital will long be scarred with ghettos built in the name of the law.

"But in spite of the Supreme Court reversal, the Government's lending, housing, and planning agencies are still being used by the bankers and realtors of Washington to help deny colored people their equal rights to own property in the District of Columbia.

"Colored families will no longer be thrown out of homes in white sections on orders of the Federal judge. But they are being denied the right of home ownership just as effectively in other ways with the help of the Federal Government.

*"FHA insures segregation*

"If a colored man wants to build a house, he must usually, like a white man, borrow money to finance it. Here the Government steps in with its FHA mortgage-insurance plan, which is intended to encourage the building of low- and medium-cost homes. The banker lends the money, and collects the interest, and the Government insures him from loss.

"Until 1947, however, the FHA Underwriter's Manual required that deeds in bi-racial areas include: 'Prohibition of the occupancy of properties except by the race for which they are intended.' In other words, the segregation of the Negro in the Capital was the only condition under which FHA would approve a loan.

"As a result of public criticism, racial conditions have been deleted from the new FHA Manual. But in Washington the bankers themselves insist on segregation. As long as they are permitted to make this condition in issuing Government-insured loans, Government money is being used to insure that Negroes are penned in racial enclosures.

*"No place to build*

"Often this means that a colored man can't build a home at all in Washington. In the areas now allotted to him by the Real Estate Board, there are not many vacant building sites. During the war agents for the Federal Public Housing Administration surveyed the city in vain search for suitable land.

"Every time an area not encumbered by racial restrictions was found and seriously considered nearby white residents lodged public protests and threatened court action. The American Veterans Committee wanted to build a housing project for veterans of all races in Washington, but was finally compelled to seek land outside the District.

"War veterans, both white and colored, know what the housing shortage means. But the Negro veteran has an additional problem in Washington. He is faced with an artificial land shortage. A census survey taken in 1947 showed that 71 percent of the married Negro veterans in the city were living doubled up in rented rooms or tourist cabins—a figure which was higher than for any city in the South.<sup>11</sup>

*"Private enterprise a mockery*

"The purpose of the Government to encourage private building for low- and

<sup>11</sup> *Hurd et al. v. Hodge et al.* ((1948) 68 Supreme Court Reporter 847).

<sup>12</sup> Housing and Home Finance Agency, the Housing of Negro Veterans, January 1948. (Survey in 24 southern and 8 northern areas conducted by Bureau of Labor Statistics and Bureau of the Census.)



medium-income groups has been frustrated where it is needed most. What a mockery private enterprise has become for the colored people of Washington was shown during the war when the Government issued priorities to private builders for desperately needed homes.

"It was revealed at Senate hearings in 1944 that of 30,700 dwelling units for which priorities had been given to private builders, only about 200, or less than 1 percent, had been completed for Negroes. Of 2,300 priorities allotted specifically for Negro occupancy in August 1943, only 22 were under construction and 8 completed at the end of the year.<sup>13</sup>

"It is obvious that segregation discourages private building for Negroes and increases their need for public housing. Yet the efforts of the Capital's public-housing authority to find building sites for Negro occupancy have aroused bitter controversy.

#### *"Threats to public housing"*

"In 1943, at the height of a critical shortage of housing for Negro war workers, the National Capital Housing Authority proposed the construction of a project for Negroes in the Congress Heights area. It had to be abandoned, however, because of political pressure brought to bear by organized groups which were 'fencing in' the area for whites.

"The attacks made by these private interests on Government plans for Negro housing culminated in a congressional investigation of the housing agency in 1944. During the hearings the president of the Federation of Citizens Associations warned:

"Unless it is going to be thoroughly understood that public housing must be continued on a segregated basis, people of Washington are going to, by a very great majority, oppose it."

#### *"Terms of surrender"*

"Unable to cope with the power of the real-estate lobby, the Government housing authority has accepted the mass segregation of Negroes as the only basis on which it will be permitted to build any housing for the low-income residents of the Capital. One of its officials explained in 1947: 'Segregation is the accepted pattern of the community.'

"But in accepting segregation, the housing agency has helped defeat its own purpose. While it has cleared the central part of the city of many scattered alley slums, and has built an appreciable number of dwelling units for Negroes on very limited funds, the net result has been to further decrease the land area available for Negro housing.<sup>14</sup>

"The slum areas it has cleared have been opened to white development, and the colored residents have been moved back within shrinking borders. Negroes are always relocated in established Negro neighborhoods, but housing projects for whites are sometimes located in areas of mixed occupancy, and even in predominantly Negro areas.<sup>15</sup> In this way even more land is captured for white use.

#### *"A vicious circle"*

"The Government is caught in a vicious circle. Partly because segregation discourages private building, public housing for

<sup>13</sup> Subcommittee hearings, Senate Committee on District of Columbia, investigation of the National Capital Housing Authority, 1944, p. 1142.

<sup>14</sup> NCHA now operates 3,259 permanent low-rent dwelling units; 2,700 of them occupied by Negroes, 559 by whites. In 1940 there were in the District of Columbia approximately 173,500 occupied dwelling units; 40,000 Negro-occupied, 135,500 white-occupied.

<sup>15</sup> Among the projects for whites built in largely Negro areas are the Lily Pons houses and the Quarles Street houses, off Kenilworth Avenue, in the far northeast, and the Knox Hill dwellings and the Twenty-fifth Street houses, directly south of St. Elizabeths Hospital.

Negroes is necessary at the taxpayer's expense. But this housing is always built in a way to tighten segregation, thereby creating the need for more public housing, and for more money to be spent in aggravation of the original evil.

"The cost of publicly financed segregation can be measured, not only in lost human values and violated constitutional principles, but in defeated purposes and in dollars and cents. It makes wards of the people segregated.

"Things have reached the point in Washington where the Government must soon face the question of whether it is going to protect colored people in their rights as citizens or whether it is going to confirm them in their disinheritation. Great projects are under way.

#### *"A more beautiful Capital"*

"Elaborate plans are being drawn to make Washington the most beautiful capital in the world. Under the Redevelopment Act passed by Congress in 1946, the National Capital Park and Planning Commission has been given authority to plan the rebuilding of all the city's blighted areas. Millions of dollars are to be made available for land purchases.

"In glowing words, the Chairman of the Commission has stated his purpose to plan a capital adequate to the needs of the people and worthy of its great destiny. The city will have new parks and playgrounds, a magnificent new highway system, and fine new public buildings. Unsightly slums will no longer mar the view from the Capital steps.

"The Chairman's words have received much applause. No one wants to see blighted areas in the center of Washington. No one wants to see substandard housing perpetuated, least of all the Negro who must live in it.

#### *"Negroes fear improvements"*

"Yet a hitch has developed. In January of 1948, the House Appropriations Committee turned down a request by the Planning Commission for \$3,400,000 to start operations of the new District Redevelopment Land Agency. Here is part of the news item which appeared in a Washington newspaper:

"HOUSE COMMITTEE REJECTS REQUEST AFTER OBJECTIONS FROM NEGRO GROUP

"Slum-clearance funds for Washington were rejected yesterday after Negro objections that the project would establish a 'Hitlerlike ghetto' for them. \* \* \*

"William D. Nixon, chairman of the Committee of the (Negro) Federation of Civic Associations, testified:

"'In the city of Washington, the cradle of democracy, the colored citizen can no longer select a place of his choice in which to live. General Grant openly states that the colored population, dispossessed by playgrounds, public buildings, parks, and schools, will be housed in the far northeast section in the rear of Anacostia.'"

#### *"A gross misunderstanding"*

"The general referred to by the Negro spokesman is Maj. Gen. Ulysses S. Grant 3d, Chairman of the Planning Commission. In reply, he said that there had been a 'gross misunderstanding.'

"For many years there has been a misunderstanding."

"According to the Constitution, Negroes have the same right as white people to move anywhere in the District. According to the unanimous decision of the Supreme Court, it is unlawful for the Government to deprive them of this right. But what happens to colored people displaced by public improvements?

#### *"General Grant's Commission"*

"Uprooted by the Government, they are forced by Government policy behind racial barricades satisfactory to the real-estate board. No private housing will be built for

them elsewhere. Nor any public housing. Advice on proper building sites is given by General Grant's Planning Commission. Here are two recent examples of its daily activities:

"1. The Commission advised a Negro builder who wished to develop a 60-acre tract of land in southeast Washington to seek land in the Negro section of the northeast instead.

"2. A Commission spokesman stated that the valley running through Marshall Heights, for which a highway is now being planned, should be the logical dividing line between the white and Negro sections of the far southeast.

#### *"Eighty years after Appomattox"*

"Maj. Gen. U. S. Grant 3d takes the view that his Planning Commission must observe the segregation principle 'until the community is ready' for mixed neighborhoods. But what is the fact?

"The general's Planning Commission, in the name of public improvements, is driving new highways between the races, and evacuating Negroes from areas where they were free to live in his grandfather's day. Eighty years after Appomattox, the Commission is helping to dig racial trenches in the Capital.

"It is a question for white people whether such improvements are worth the price, or whether an unplanned city wouldn't be better, with a few sums to mar the vistas, than a bright shining capital swept clean of individual rights.

#### *"A desperate beachhead"*

"To the Negroes of Washington, their old slums are a kind of desperate beachhead on their heritage as Americans. In shacks and huts they once were free to live anywhere in the city. But now they are driven back.

"When discrimination is personal and a matter of each man's private prejudice, Negroes are still freemen. But against planned segregation they are helpless. When their exclusion becomes a good business proposition, when it is capitalized in bonds and banks, when the American Government drives them back, then their last chance is gone.

"In any event, we would expect to find Negroes occupying the worst housing in the worst neighborhoods. They are assigned, as we shall see, to the meanest and lowest paying jobs. And, being rejected by color, they may tend to withdraw by color, and live more or less together.

#### *"I Am an American Day"*

"This tendency can be noted among newly arrived immigrants, who congregate in the slums of our great cities in different foreign-language groups. But, in their case, even voluntary segregation is recognized as bad, and efforts are made to narrow the gap.

"Before long, these foreign immigrants begin to think of themselves more as Americans than as Italians or Poles or Slovaks, and this process is encouraged. The Nation celebrates I-Am-an-American Day to instill in newly naturalized citizens a sense of belonging. They are welcomed out into the community.

"But, with the Negro, is that what happens? He has been an American longer than most Americans, but in the Nation's Capital efforts are now being made to isolate him as a Negro. At what cost?

#### *"THE HUMAN WRECKAGE"*

"Bacteria are broad-minded. \* \* \* Anonymous.

#### *"A Negro's disadvantage"*

"An indication of the disadvantages under which Negroes live in the Nation's Capital is furnished by disease and death rates. There is no reason to suppose that Negroes are born less healthy than white people, and it is well known that some of them live to a ripe old age.

<sup>16</sup> Washington Post, January 3, 1948.



"Yet the life expectancy of a colored resident of Washington is 10 to 12 years less than that of a white resident. In 1944, his chances of dying were 37 percent greater." Elsewhere in the Nation, the colored death rate was only 19 percent higher than the white death rate."

Mr. BROWN. It is our belief that definite language must be included in this over-all coordinated and inclusive Federal housing legislation, once and for all outlawing racial discrimination and segregation in administration, construction, finance, insurance, and occupancy in keeping with the recent decision of the Supreme Court declaring restrictive covenants unlawful.

We wish to strongly urge upon this committee the inclusion of language in the Federal housing legislation (now before you) to prohibit any order, regulation, rule, or other action by the Administrator, Secretary of Agriculture, or any subordinate official having any power directly or indirectly, or any and all authority, committees, such as proposed in the rural-housing county committees, which countenances discrimination and segregation on account of race, color, creed, or national origin.

Further we desire to impress this committee that it include appropriate language in the national housing bill to deny any and all benefits of this housing legislation to a contractor, labor union, or beneficiary of this legislation and prohibit any consideration, employment, funds, or benefits, as long as any claim or evidence of segregation or racial discrimination exists in any degree whatsoever.

Human rights must no longer be left to chance and good intentions in an atomic age. We must guard our most sacred and precious human potential. The spirit and letter of the Constitution and the language of Thomas Jefferson, "that all men are created equal and endowed by God with certain inalienable rights," must be the embodiment of the housing legislation.

Certainly public funds should not be used, Mr. Chairman, to discriminate against American citizens, and I want to emphasize particularly that a million Negroes served with 9,000,000 other Americans to preserve democracy in this world, and among them was my son. I myself am a veteran of World War I, my sister was a first lieutenant in the American Army Nurse Corps in World War II. She volunteered and served 4 years. I am sorry to report to you here today that when she died she was segregated in the basement with men in Jefferson Barracks of the veterans' hospital in St. Louis, Mo. I hope that no other woman of any race will ever be subjected to that kind of indignity in death with nothing done about it by the United States Government, in serving her country.

I want to say to you, Mr. Chairman, that I have a great deal more respect for the people who are frank in their statements of their personal and public views than for many who give abundant lip service to democracy and have a lot of official opportunities to carry it out, but do nothing about it.

I might say that, as you know—and I think I owe this to you and Senator MAYBANK, who has just come in—I have opposed both of you being seated here in the United States Senate, and I am still opposed to your being seated until you are investigated as to whether you did like Senator Bilbo—

Senator MAYBANK. I thought this was a housing investigation.

Mr. BROWN. Senator MAYBANK, I want to pay you a compliment eventually when I get through.

Senator MAYBANK. But you said I ought to be investigated.

Mr. BROWN. We do not think you should for the purposes of this committee, particu-

larly, but I am interested in trying to make the point here, that you, Senator MAYBANK, outlaw any discrimination in this housing bill. The fact that Judge Waring, down in South Carolina, insisted upon putting people in jail for contempt of court because they refused to permit Negroes to register and to vote in the so-called white primary points up the importance, in legislation, of you, Senator MAYBANK, and other men who are beneficiaries of elections under such conditions as I have indicated. We are asking and are hopeful, despite those conditions and that situation, since you have taken an oath to uphold the law and the Constitution, that you will see that in this housing legislation, where the Government and all the taxpayers are contributing, there will be no discrimination and segregation on account of race, color, or creed, and I have confidence enough in you and Senator SPARKMAN, of Alabama, despite, as I just said, my personal observations on this matter as to the background of it, that you will live up to your oath of office, despite politics of South Carolina.

I would just as soon sometimes trust those who do not give so much lip service out in the public to civil rights, but maybe when they use their official influence they are equally fair or perhaps more advantageous to the general citizenry, without regard to race, creed, or color.

Senator MAYBANK. I can say this: In Charleston there are some of the best housing developments in this country. Colored people there have good housing. I commend the committee that operates the housing in Charleston now, and if you go down there you will find the colored people in those housing projects very satisfied.

Mr. BROWN. I am glad to hear that. I also heard testimony of the witness from Georgia, where I happen to know the first housing project of this country was built with Federal funds, and he testified in your absence, Senator MAYBANK, that not a single Negro and not a single white person has been found delinquent coming from the vicinity of those housing projects there. This was the testimony of a judge in the city of Atlanta, Ga.

Senator MAYBANK. You need not worry about how I feel about housing, health, and those things for colored people.

Mr. BROWN. Since you raise the question, Senator MAYBANK, I believe I know there are now in many sections of the country white and colored people living in the same housing projects, and nothing has happened. I think we can make a lot of progress by going ahead and serving equally human beings who are created in the image of God, in keeping with the Constitution and the spirit of Thomas Jefferson, who said that all people were created equal.

Senator MAYBANK. You cannot convince me of that. Colored people are perfectly satisfied the way they are.

Mr. BROWN. It may be true in South Carolina, but not in other States, including Illinois, my home State, New York, Pennsylvania, and many others where we are voters and recognized as citizens.

Senator MAYBANK. Look at the trouble you had in Detroit.

Senator SPARKMAN. Is the real trouble not this, that in our area we know what we are doing? In those areas they pretend to do one thing, but do the other.

Mr. BROWN. As to Detroit today, all is well. As I have stated earlier, Senator SPARKMAN, many sincere people see things quite differently. You have repeated practically what I have indicated. I didn't come here, Senator SPARKMAN, to start any controversy on civil rights, and I want Senator MAYBANK to know—

Senator MAYBANK. The only statement I made was that you had reference to elections, and I did not think that belonged in this committee, where we are dealing with housing. If there is any question of elections, it

should not be discussed here, as you know, and I don't think it has any place in here.

Mr. BROWN. I agree with you.

I might conclude by saying that I wish that all I have suggested in these newspaper articles and studies will be placed in the record. I would like to mention, Senator MAYBANK, and Senator SPARKMAN and other Senators, this matter of the building unions.

As a previous witness testified, they got 1,500 bricks laid 16 years ago by a bricklayer, and now they get 600 bricks per day.

Also, I want to bring out that these building unions, bricklayers and others, exclude in most instances Negroes from their membership, and I believe if they were opened to Negroes, more carpenters and bricklayers would be available; we would bring down the cost of building—and I think that is important.

Senator SPARKMAN. Do they do that up North?

Mr. BROWN. Yes, sir. In all sections of the country, I understand.

Senator SPARKMAN. In my home town one of the best masons I know is a Negro.

Mr. BROWN. That is another anomaly or paradox of the so-called race question, Senator SPARKMAN, and I am glad you brought it out.

Senator MAYBANK. I would like to know about that, too. They are not excluded in certain sections of the South, are they?

Mr. BROWN. No, sir; I have no recent report. I do not think in the South they have been.

Senator MAYBANK. Where do they exclude them?

Mr. BROWN. In many sections of the North, to my knowledge.

Senator MAYBANK. Where you get your lip service?

Mr. BROWN. That is right. I wanted to get that in the record, and I am very happy that you emphasized it, Senator MAYBANK.

I think it is a crime for the Federal Government to permit unions to have the benefit of collective bargaining, such as bricklayers and other skilled workers, who exclude people from making a living, earning bread for their families, educating their children, interfering with good Americans being good citizens on account of color. They make it difficult even for citizens of both races to have proper housing because of these costs, resulting in monopoly and limiting their membership and creating a scarcity of labor in setting up a color bar. I think it is just as important as having all these funds expended without discrimination as to finance, insurance, and administration and occupancy that no unions be able to benefit under this legislation, or any other Federal legislation that has racial exclusion written into their constitutions, as 17 A. F. of L. unions have, including some of these bricklayers, carpenters, and other builders, who rig up prices and make these building costs almost prohibitive.

Some language ought to be put in this legislation that such unions be denied any benefits if they deny membership to other American citizens on account of race or color. It is wrong and inhuman, as well as unconstitutional. It certainly isn't Christian. It is an unholy practice.

I think, Senator MAYBANK and Senator SPARKMAN, if you could do that, 13,000,000 Negroes certainly would consider that a very genuine contribution to civil rights, far more timely than meaningless gestures for public consumption and political purposes. I think a lot of talk would then be unnecessary. The need of a filibuster on the floor of the Senate would be precluded.

I wish to thank you very much, Mr. Chairman.

Senator SPARKMAN. Thank you for your statement.

Mr. CAPEHART. Madam President, I intend to support the amendment offered by the able Senator from Ohio. I believe it to be fair and equitable.

<sup>21</sup> Report of the Commissioners of the District of Columbia for the year ended June 30, 1945, p. 119.



Mr. THYE. Madam President, the question I should like to propound to the Senator from Indiana is as to where in the bill it specifically refers to who may live in public-housing projects.

Mr. CAPEHART. It does not do so.

Mr. THYE. Then what is the necessity for the amendment? If there is no mention of class, creed, religion or color in the bill then why is an amendment necessary?

Mr. CAPEHART. The amendment is based on the fact that heretofore the administrative agencies have denied members of the Negro race the right to participate, plus the situation which exists in connection with TVA, a project owned and operated by the Government. All one needs do is to visit TVA, and go through the project, and find drinking fountains, one drinking fountain labeled "whites," another drinking fountain labeled "colored," in a 100 percent governmental project, owned and operated by the very people who today are advocating civil rights. If segregation is practiced in TVA, as is being done and has been done for many years, then it will be continued in legislation passed by the Congress; if the pending bill shall not be amended. I know of no way of insuring equal rights to all our people except by writing a provision into the bill to that effect.

Mr. THYE. Madam President, that raises another question. In my State, and I think the same situation prevails in the Senator's State, water fountains are not so labeled, are they?

Mr. CAPEHART. Oh, no.

Mr. THYE. Then, I come back to the question, why does the Senator wish to spell out specific provisions in the law, when the bill in itself as it is written would definitely provide that there could be no discrimination? Is not that the truth? If the Administrator were acting in accordance with the act, he would find nothing in the act which would compel him to discriminate or to exclude. Then it is a question of attacking the administrator, in the event the administrator is not functioning in accordance with the law; and it would be useless to write provisions into the bill which no one could understand.

Mr. CAPEHART. Unfortunately, the senior Senator from Indiana is not the administrator. Unfortunately he possibly will not be, and unfortunately has not been, and unfortunately, during the past 12, 15, or 18 years, there has been discrimination in the administration of many acts which have been passed by Congress, involving legislation carrying appropriations for Government-operated projects, which the Government is still operating. The same persons who will administer this particular measure have been administering the other acts, and they have been practicing segregation, as I pointed out in the case of TVA.

Mr. THYE. My only fear in connection with the proposal to write specific language into the bill as to what can be done and what cannot be done, is primarily that if the amendment shall prevail, and because of the amendment the entire housing legislation is defeated, we would be endangering the

chance of the people or the families who have not places to rent or live in now to obtain suitable living quarters in the near future, or within the next few years. That is the great question in my mind, whether we should support the amendment and lose the housing legislation, or whether we should defeat the amendment and pass the housing legislation.

Mr. CAPEHART. Who would vote against the amendment which has been offered by the able Senator from Ohio? Who is against civil rights?

Mr. THYE. I am not.

Mr. CAPEHART. Who is against equal treatment for all?

Mr. THYE. I am not.

Mr. CAPEHART. Who can possibly be against permitting people of all creeds and colors to live in housing which has been constructed by the American taxpayers' money? Who is going to vote against it? Who is against civil rights?

Mr. TAFT. Madam President, will the Senator yield?

Mr. CAPEHART. I yield to the senior Senator from Ohio.

Mr. TAFT. The senior Senator from Ohio is going to vote against the amendment, if the Senator from Indiana wants to know who is going to vote against it.

Mr. CAPEHART. That is the privilege of the Senator from Ohio.

Mr. TAFT. The situation in Ohio is, roughly speaking, that where a housing project is built in a colored district, it is generally occupied entirely by colored people. Where it is built in a white district, it is as a rule occupied by white people. There are a number of projects where both white and colored people are taken care of in the same project. There has been no discrimination. There has been no charge of unfairness. The law has been administered with absolute equality. In fact, I would say it has been administered, on the whole, with preference to the colored people, because as a rule they have the lower incomes, and they are therefore more eligible to secure accommodations in these projects.

So there has been no criticism whatever of the administration of the system, except in one case, and that really was not because of discrimination, but it was because of very bad judgment, I think, in a case in Detroit, where a race riot developed because those in charge were trying to do something which I do not think should have been done in the beginning. Otherwise, there is no reason that I know of for such a requirement as is proposed. It seems to me the system has worked with entire justice, and there is no charge made of discrimination of any kind. I think a general statement that there should be no discrimination is all right, but circumstances might require a certain amount of segregation, and a preference to one group or another in a particular housing project.

Mr. THYE. Madam President, I wish to make a comment. The senior Senator from Ohio stated the situation very well. The reason I asked the question in the first place was because I had not found within the language of the bill that discrimination could be practiced.

Mr. CAPEHART. Does not the Senator know that the TVA, a Government

project, owned by the Government, operated by the Government with funds furnished by the taxpayers, practices discrimination in the operation of that project? As I stated a moment ago, we find at one place a drinking fountain labeled "Colored" and at another place a drinking fountain labeled "White." So by reason of that discrimination we have two drinking fountains, thereby costing the American taxpayers twice as much for installation of drinking fountains. Does the Senator from Minnesota know that?

Mr. THYE. I have visited the TVA, but my purpose in visiting TVA was to investigate the general welfare TVA was bringing about not only in respect to flood control but in the development of conservation practices in that area. I regret that I was not looking for what the Senator from Indiana refers to. Had I been looking for it, I possibly would have seen it. At least I did not see what the Senator refers to. I was looking at the physical operation of the dams and the hydroelectric and the service projects rather than what the Senator refers to. So I cannot say whether I saw it or not.

Mr. CAPEHART. Is the Senator in favor of passing a law which would require that each employer must not discriminate in hiring persons of different nationalities, colors, and creeds?

Mr. THYE. Insofar as the senior Senator from Minnesota is concerned, and so far as his own convictions are concerned, he is against class discrimination or class segregation, and favors provisions and measures establishing civil rights. The Senator from Minnesota, however, believes that the Senator from Indiana, in going from the question of housing and the provisions of the housing bill over into the question of employment, is going beyond the intent of the debate we have had on the subject.

Mr. CAPEHART. Madam President, why should those who are in favor of Congress passing a law providing that an employer may not discriminate in the hiring or employment of persons, yet oppose writing into the pending measure a very simple statement providing that there shall be no discrimination in the operation of any housing project which is built by the money of all the taxpayers of the United States?

Mr. LANGER. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. CAPEHART. I yield.

Mr. LANGER. I call the attention of the Senator from Indiana to the fact that the Democratic Party has charge of the Army. All that would be required of Mr. Truman, the President, who is a friend of the colored people, is that he issue an order which would wipe out the discrimination existing in the Army. I do not know whether or not I shall vote for the amendment of the Senator from Ohio, but I submit that when a certain party says it is the particular friend of civil rights, it is possible that that party can be mistaken.



Mr. CAPEHART. Madam President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a press release which is undated, but which is issued by the Washington bureau of the NAACP.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., April 18, 1949.—In telegrams to the Democratic majority leader, Senator SCOTT W. LUCAS, and Senator KENNETH S. WHERRY, Republican minority leader, the National Association for the Advancement of Colored People urged support not only for the amendment proposed by Senator JOHN W. BRICKER, Republican, Ohio, to the multimillion dollar public housing bill prohibiting segregation in public housing projects but asked for a broader amendment to cover all federally aided housing, public and private.

The telegrams signed by Leslie S. Perry, Washington representative for the NAACP said:

"When the NAACP representative testified before the Senate Banking and Currency Committee on the housing bill, S. 1070, among other amendments advocated was one to prohibit racial segregation in Federal public housing.

"We have studied the antisegregation amendment proposed by Senator BRICKER and believe as framed it would correct part of the serious housing situation confronting racial and other minority groups.

"Federal funds should not be used to aid or subsidize by loans, grants, insurance, or any other means any housing, public or private, which segregates or otherwise discriminates against eligible citizens because of race, color, creed, or national origin.

"We, therefore, urge support not only for the Bricker amendment but a broader one to cover all federally aided housing contemplated by the bill.

"Since various public charges have been made regarding Senator BRICKER's motives in proposing the amendment, the association desires to point out that it looks to the legal effect of a proposed amendment or law; it does not probe the secret motives of the sponsor."

Mr. BRICKER. Madam President, I wish to make a few general observations on Senate bill 1070, commonly known as the Federal housing bill. On the floor of the Senate great stress has been placed on the need for slum elimination. No one disagrees with the motive of those who desire to eliminate the slums in metropolitan areas. Certainly I do not differ with the purpose of the section of the bill which seeks to encourage the elimination of city slums. There has been a great deal of overemphasis placed upon that aspect of the bill heretofore, both in the committee and on the floor of the Senate, the hope being that emphasis upon title I of the bill will carry along the other titles with which many of us do not agree.

Pictures have been submitted to the Senate showing the deplorable conditions in the city of Washington and in other great cities of the country. Those deplorable conditions have existed too long, and they are today too prevalent for the public welfare. Likewise pictures might be shown here of some of the Government housing projects which have already become dilapidated and are almost in slum condition in some of the cities. I personally have seen, as no doubt many other Members of the Sen-

ate have seen, such housing projects under public management. Yet that situation does not justify opposition to the provision.

I desire to point out to the Senate that if there had been the aggressiveness in the past 10, 15 or 20 years on the part of local governments which we see exhibited here now in order to provide this contribution to local governments, the slum conditions would largely have been eliminated in the metropolitan areas. There is not one slum area that could not have been greatly improved by the enforcement of local sanitation laws, by the enforcement of compliance with the local building codes, and through the exercise of the general police power that resides in the States and in the cities of the country.

What is sought to be done is further evidence of the fact that the city governments of the country have come to have a reliance upon a philosophy of government which argues that, if they can get money from the State Governments or from the Federal Government, they can show great improvement in their communities, take full credit for it, and their people will never have to pay the bill for the improved conditions. So therefore they take the credit without assuming the responsibility.

I for one am not in favor of the Federal Government encouraging such an attitude on the part of local public officials. I think that sooner or later, if the slum condition is ever to be eliminated in the metropolitan areas, it must be because the local authorities assume their full responsibility. For the reason that this bill does put that responsibility upon the local communities to a large degree, even though Federal contributions and grants are made to local area authorities, I shall support title I, if it is possible to do so, separate from some of the other provisions of the bill. It will be an impetus, it will be an encouragement to local governments to do the job which they heretofore should have done on their own responsibility.

In considering the problem I recognize full well that the financial situation of many of the cities is very bad. Likewise in some of the States the financial situation is not good at the present time. But most of the States of the country are solvent. Many of them have no debts at all. And certainly the city governments are in a better financial position today to assume this responsibility than is the Federal Government which we directly represent in the Congress of the United States. They have no debts, either singly or in the over-all collective situation, comparable to the debt owed by the Federal Government. They have the resources from which to draw to eliminate local slum conditions. Many communities have assumed that responsibility. Such communities stand out as exemplifications of good local government, and should afford encouragement to other communities.

I mentioned the tax situation. I do this in connection with title I, as well as title II of the bill. I invite the attention of the Senate to the fact that today we have an annual budget of \$42,000,000,000

as a burden on the Federal taxpayer. Last year the Federal budget took out of my State \$2,700,000,000. This year it will take out of Ohio \$2,430,000,000. That means \$300 for every man, woman, and child in my State. It means \$1,200 for every family in Ohio, and it means 25 percent of the total assessed real, public utility, and personal property values of the whole State of Ohio. So if a farmer owns 100 acres of land in my State, this year his share of the Federal Government operating expenses will amount to one-fourth of the total value of his farm. The same reasoning could be applied to a small business, or to a large business, for that matter, or to the laboring man, because ultimately there is no source of wealth except that which comes from the utilization of our resources and from human labor. This expenditure must come out of the soil, out of the mines, out of the land, or out of the work of the people of the Nation who carry the burden of the cost of the Federal Government.

I emphasize that fact because some day we shall reach the point of diminishing return in taxes. Perhaps we have already reached that point. We cannot increase taxes upon our people for Federal needs at this time without further depressing business, agriculture, and labor. I do not believe that we dare go into another era of deficit financing. This bill would simply add further to the Federal cost of Government, which would increase the \$300 burden upon every citizen of my State, the \$1,200 burden upon every family, and the burden of 25 percent of the total value of all the property in the State, which must be taken each year to pay the operating expenses of the Federal Government.

In compensation for the cost of the slum-elimination section I believe that it will add greatly to the value of the real estate within the local community, if it can be successfully accomplished and economically administered.

I now pass to title II, which is the important section of the housing bill. It is the provision which calls for the construction by the Federal Government, through local housing agencies, of low-rent housing accommodations. In committee hearings I repeatedly asked representatives of the Federal Government who appeared before us what the total dollar cost of this provision will be. So far I have not had a definite dollar figure placed upon the actual cost. However, in the bill there is an authorization for the Federal Government, through its local agencies—and they are actually agencies of the Federal Government—to allow a cost per room of \$1,750. In the discretion of the Administrator that may be increased \$750, making the cost per room of these projects \$2,500.

That would mean that a five-room house or living unit, either individually or in conjunction with other living units, would cost \$12,500. We have had sufficient experience with Federal Government projects to know that the maximum very quickly becomes the minimum cost of Federal projects. The cost of \$12,500 for a five-room living unit will be in addition to the cost of the land purchased and



the cost of demolition of any buildings already on the land. The average cost might possibly go to \$14,000, or even \$15,000 per unit for these subsidized low-income-group rental units. That is more than the average cost or present value of the living units of the great majority of the people of the United States.

When we reach the point where we provide better housing for those who are subject to the largess of their Government, those who are in the welfare class, those who have not been able to accumulate or keep or provide their own housing, when we provide them with living units the value of which is greater than the value of the average American home, we then definitely place a penalty upon thrift and a premium upon indolence.

No one will object to giving help to those who are in need. It has been the history of our Government—Federal, local, and State—that we have compassion upon those who are in need. We have helped them. I am justly proud of the fact that we have taken care of those in need. But we have never gone to the extent, and I do not believe we should go to the extent now, of providing for those whom the Government helps, living accommodations greater in value and better than the living accommodations of the average citizen of America, who must ultimately pay the cost of this project.

The cost must be taken out of the labor of the people. It must be taken out of the value of the houses now owned, and out of the income, earnings, and savings of the people of America. As was stated the other day by a distinguished Senator who was speaking in connection with the rent law, the great middle class is becoming further and further suppressed. To a greater and greater extent their property is being taken away from them by the Federal Government as well as by local government, to meet the costs of government. At present that cost amounts to more than one-third of the income of the people of the country. Sooner or later we shall reach the point where they will be unable further to carry the burden.

If the cost of operation of the Federal Government continues to increase as it has been increasing, the money for the operation of the Federal Government will not be forthcoming from the people of the United States. We are reaching the point of diminishing return. So, in my judgment, title II of the bill should not be enacted into law at this time.

Only last week I had the experience, in my home town, of seeing 40 loans made to private builders for \$6,100 each. The houses to be built will sell for less than \$7,000, on an amortization program in which payments will be equal to the rent in the units to be constructed with Federal Government money. These privately built homes will be occupied by single families in home ownership, which is, after all, the real foundation of our society in the communities of the Nation. In my city, which is a city of 400,000 people, there are today 800 vacant living units. The majority of them are in the lower-income group. Day by day we are catching up with the need for rental units, as well as housing units for sale.

As soon as we have enough housing accommodations in the country to take care of the need, the rental rate will fall, and costs will come down to meet the needs of all the segments of our society. Other cities could undoubtedly show the same situation. We are rapidly catching up with the Nation's housing needs.

A year ago we were told by the steel producers, and even by the President in his address to the Congress, that we would have to pour Federal money into the steel business. We were told that there was not enough steel for greater automobile production. There was a 2-year backlog. We are now caught up so far as automobiles are concerned, and this year the production of steel will be 99,000,000 tons, the greatest production in the wartime or peacetime history of the country. The gray market has gone. We are up to the hour in the production of steel, which was the last bottleneck in the reconstruction program.

If we leave this problem where it has always been, in the hands of private industry, with the aid which must be given to the needy through State and local governments, we shall better solve this problem than by entering into a program of extensive and expensive Federal contributions for low-rent housing projects.

A moment ago I mentioned the cost of these units to the taxpayers. Ultimately that cost may be paid back. It has not been paid back very rapidly in the case of the units which have already been constructed. Yet there is to be an annual contribution on the part of the Federal Government for the difference between the amortization costs of the unit and the rents of the low-rent housing projects. That will be a subsidy which, when this construction program is completed, will amount to \$308,000,000 a year. If we add to that approximately \$5,000,000 more for the rural program under title IV, we have a total of approximately \$313,000,000 of annual contributions from the Federal Government. That means that the Federal Government will be contributing, every month, \$31-plus for every unit under this construction program of 810,000 units. The cost will not be merely the immediate construction costs; but the cost which will be burdening the people of the United States will include an annual charge of \$308,000,000. We are here placing this burden upon the people for the next 40 years; and, if the program of amortization is not properly carried out and if the housing units are permitted to depreciate, as they have in many instances at the present time, the units will not last for the 40 years contemplated for amortization under this plan. They will deteriorate to the point where they will become the slums of the community. There will be no local pride of ownership; there will be no desire on the part of the tenants to keep the property in good condition, in the condition in which it should be kept; and those properties will be the slums which will have to be eradicated by means of future Federal contributions.

So, Madam President, this program will simply breed another undesirable condition with which future Congresses

will have to deal. Unless we recognize certain fundamental principles in connection with the consideration of this program, eventually we must come to the time when all housing will be a Government project, and then we shall have destroyed all pride of individual ownership, which throughout our history has been an important factor in our greatness.

Now I wish to move on to a brief consideration of title III, the research section of this bill. I certainly approve of research by the Government; that is a field in which the Government heretofore has operated, both on the State and on the National level. I believe that considerable research should be conducted before we commence a large scale housing program. But the research should be completed before such a project is commenced. We should know now what are the very best and cheapest building materials, and the most efficient and economical living unit which can be constructed under this program, before we begin upon it. Certainly the advocacy of preliminary research does not constitute opposition to the meeting of the need.

At this point I wish to pay a little attention to title IV of the bill. In the committee there was very little testimony regarding title IV, but there is a great deal of misunderstanding both as to the purpose and as to the results which will be obtained under it. Title IV of the bill provides for loans and grants to the lower-income group engaged in the business of agriculture. I think the title is limited in its application to farms with an income of \$400 as of the year 1944, and the title would leave to the Secretary of Agriculture the determination of their income.

In the first place, Madam President, the Secretary of Agriculture can not reconstruct in his mind all the crops which were grown on such farms in 1944; and a farmer who lives on a farm with a gross income of \$400 a year certainly and undoubtedly would not have kept a very comprehensive set of books which would give to the Secretary of Agriculture any great guidance in his determination of whether that farmer is entitled to either a loan or a grant from his Government.

What are the main provisions of this part of the bill? In the first place, it authorizes the Secretary of Agriculture to loan \$500 on a farm building or to grant \$500 on a farm building for a roof or for an out-house, or for anything else the Secretary of Agriculture says the money may be used for. One provision included in this part of the bill is characteristic of some of the legislation the Congress has been enacting in the past few years, namely, that if a loan is made to the owner of a farm who himself does not live on it, but has a tenant on it, the owner cannot then dispossess the tenant until he obtains the consent of the Secretary of Agriculture to do so.

The bill provides for these loans to submarginal farms. If a farm has been submarginal for the last 10 years, it is not very much of a farm and should not be made subject to the loan or grant of Fed-



eral money, so as to tie the farmer to that kind of a farm. Such a policy would simply result in perpetuating the submarginal farms, and ultimately would do no real social good. But, further than that, this part of the bill would permit the Secretary of Agriculture to set up in every county in the United States committees to pass upon those who need Government loans or Government grants. The bill provides that the Secretary of Agriculture may utilize any other committees which are available; but all other Members of the Senate know as well as I do that if we authorize the appointment of new committees, and if there is money to pay for them, there will be a separate and distinct committee in every county and in every parish in the United States. The Secretary of Agriculture will be authorized to pay each member of the committees \$5 a day. For a three-member committee, that will amount to \$15 a day for the entire committee, which is not an extravagant amount, I grant, but in many of the rural communities it would be a considerable amount of additional income. Such committees are to be authorized to incur expenses, and the expenses are to be paid by the Secretary of Agriculture. The total amount—this would be the maximum, I grant—for those committees, if they were operating in every county in the United States, would be \$138,105 a day, to carry on the committees' activities. Under the provisions of this bill, not only are those committees to be authorized to pass upon the need of submarginal farms for aid and Government largess, but they are to be authorized to do other things which the Secretary of Agriculture would authorize them to do in any field, I presume, in which he might be interested.

At the present time there are 16 distinct loaning agencies dealing with farmers and agriculture in the United States, and 6 of them are loaning directly to farmers. So, if there is need for an arrangement of the sort provided by this bill, let us give the existing committees authority to pass upon that matter; let us not set up a political organization of three men, in every county in the United States, to decide on the qualifications of farmers operating on submarginal farms to be loaned or given \$2,000, or \$500 for each building, which, if four buildings were involved, would make a total of \$2,000.

I say to the Senate that this bill should not authorize any such thing. I say that this provision of the bill will serve only to build up in the Government a new political department, and that the Congress of the United States ultimately will regret its action in writing such a provision into this bill, if it does so.

I say further that there is no reason at this time, in view of the agricultural situation, even with farm prices dropping as they are today, for the Government to attempt to tie the farmers of the United States to submarginal lands, and to say to the owner of a little patch of ground, "If we give you the money, you must keep on your land the tenant you have on it now, until such time as the Secretary of Agriculture says you may get rid of the tenant."

Mr. McCLELLAN. Madam President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. McCLELLAN. The amount mentioned by the Senator from Ohio is the limit that can be contributed or loaned by the Federal Government on a farm home or on a farm project, is it not?

Mr. BRICKER. Under the pending bill, on a submarginal farm project, it is \$2,000, or a grant of \$2,000. Some have said the bill limits it to a \$500 grant, but as I read the bill it says \$500 per building. There must be four buildings in order to get the full \$2,000. That might include an outhouse, a smokehouse, a roof on the home, or the barn.

Mr. TAFT. Madam President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. TAFT. I think the Senator mistakes the provision regarding farms. The Senator is dealing with another provision which simply provides for \$2,000, which is for farms which are not now and never can be made self-supporting. The limit is \$2,000, or \$1,000 per structure.

Mr. McCLELLAN. The other provision relates to a farm loan for the construction of a home.

Mr. BRICKER. It says the grant with respect to any one farm or dwelling or building shall not exceed \$500.

Mr. TAFT. That, however, deals with section 404. I may say I have a motion pending to strike out section 404 altogether. The other provision contains no definite limitation on the size of the house. My recollection is that, as contemplated, it is about \$5,000.

Mr. BRICKER. There is no express limit put upon the Secretary's determination of the amount. It is only limited by the grants of the Congress.

Mr. McCLELLAN. Madam President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. BRICKER. I yield.

Mr. McCLELLAN. This is what I am trying to determine: As I understand the bill, and as I understood the Senator to say in his remarks, in the case of slum clearance the bill provides for as much as \$2,500 per room; is that correct?

Mr. BRICKER. That is correct.

Mr. McCLELLAN. That is for the construction of houses to be used by tenants who now occupy buildings in slum areas; is that correct?

Mr. BRICKER. If there is a slum elimination in the area, of course, those who occupy the present buildings have the first preference above any others.

Mr. McCLELLAN. Does the Senator's comparison of the provision of the bill he is now discussing, have reference to homes on submarginal farms, say, as to how much shall be spent under the bill per room for a farm home?

Mr. BRICKER. There is no limit on that. It is entirely within the discretion of the Secretary of Agriculture. It is not even on the same basis.

Mr. McCLELLAN. Wait a minute. Let us see. Can the Secretary, under this provision of the bill, spend as much as \$2,500 per room on a farm home?

Mr. BRICKER. It could be used in any way, except in the case of submarginal farms it has to be used on four buildings, if there is a \$2,000 loan.

Mr. McCLELLAN. It would have to be used on four buildings. In other words, \$4,000 is the ceiling; is it not?

Mr. BRICKER. That is correct.

Mr. McCLELLAN. That is the ceiling that can be spent on any one farm, is that correct?

Mr. BRICKER. That is correct.

Mr. McCLELLAN. And there would have to be four homes, in order to get that amount, would there not?

Mr. BRICKER. Four buildings.

Mr. McCLELLAN. In other words, there is a ceiling of \$1,000 per building, on the buildings to be constructed for farmers; is that correct?

Mr. BRICKER. That is correct.

Mr. McCLELLAN. That is correct; whereas, in the same bill, we set a limit of \$2,500 per room, in connection with the clearance of slums. Is that correct?

Mr. BRICKER. That is true.

Mr. McCLELLAN. Can the Senator tell me that there is that great difference in cost between building a farm home and building a structure to replace a slum?

Mr. BRICKER. No; not if the accommodations are the same. Of course, it might cost more in rural communities than in a metropolitan area.

Mr. McCLELLAN and Mr. SPARKMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. BRICKER. I yield further to the Senator from Arkansas, first.

Mr. McCLELLAN. Since we are providing this fund freely from the taxpayers' money, why should not all people living on the farm get equal accommodations with those now living in a slum, if we are going to take care of all of them?

Mr. BRICKER. There is no logical argument against that.

Mr. TAFT. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the junior Senator from Ohio yield to the senior Senator from Ohio?

Mr. BRICKER. I yield.

Mr. TAFT. There is a logical argument, which is that the only possible justification for the high cost permitted—and I think it is too high; I criticized it when the bill was introduced—is that it must be a fireproof building constructed to meet, in effect, the requirements of the fire codes of the various cities. A fireproof building is very much more expensive, particularly an apartment building. Take the State of New York, which is building apartments in the city of New York. They are not peculiarly desirable apartments, but they are very expensive to build in that particular place.

So far as sections 404 and 403 are concerned, there is no limit on the cost per room for a farm home. The only limit, contained in section 404, which I think is a completely unsound economic proposition, deals with a subject which I think should be met in a completely different way, as to which, as I say, I filed an amendment to strike out.



Mr. McCLELLAN. Madam President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Arkansas.

Mr. McCLELLAN. The Senator says there is no limit. Is there not a limit of \$4,000 per farm?

Mr. TAFT. There is no limit of \$4,000 per farm.

Mr. BRICKER. That is in the submarginal section. The Senator was talking about sections 402 and 403, which are the productive areas.

Mr. SPARKMAN. Madam President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Alabama.

Mr. SPARKMAN. I wonder if it would not be well for us to keep in mind the fact that the various loans for farm houses come under three different sections, 402, 403, and 404. The types of loan the Senator from Ohio was talking about are those under section 404, relating to a different subject.

Mr. BRICKER. Those relate to submarginal lands.

Mr. SPARKMAN. Those relate to submarginal farms. They do not relate to the building of farm homes at all, but merely to patching up. The Senator from Ohio I think is in error in one respect; that is, that the maximum that could be loaned and granted, by a combination of loans and grants, under section 404, is \$2,000 rather than \$4,000.

Mr. BRICKER. The amounts granted would be \$1,000 and \$500. One interpretation of the grant section would bring it up to \$2,000 by grant, and \$2,000 by loan.

Mr. SPARKMAN. No; it says the aggregate of the combined loan and grant shall not exceed \$2,000.

Mr. BRICKER. That is correct—on any one farm or dwelling or building.

Mr. SPARKMAN. When it comes to building homes on farms, there is no limit except insofar as the Secretary of Agriculture may prescribe a limit.

Mr. BRICKER. In that connection, I cited the fact that there are already six agencies loaning directly to the farmers. If this provision is needed, we might well lodge authority in one of the other agencies which are already loaning to farmers all over the United States, and not create another one. Of course, the attempt here is to apply the section to farmers who do not have credit, who cannot get credit, and who are not entitled to credit; and yet it is based upon the finding by the Secretary of Agriculture that there is a reasonable right to expect that the loan can be repaid, while the standards of living are still maintained. If those who obtain the loan cannot repay it, together with any interest on it, the Secretary of Agriculture is given authority to remit the interest and the loan, I think up to 50 percent.

Mr. FLANDERS. Madam President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Vermont?

Mr. BRICKER. I yield.

Mr. FLANDERS. I should like, if I may, to amplify the point which the junior Senator from Ohio just made.

Mr. BRICKER. I may say I have reached an age now where I am glad to have the title "junior" applied in any capacity. [Laughter.]

Mr. FLANDERS. I thank the Senator. I am beyond that age. [Laughter.] I merely want to amplify a point which the senior Senator from Ohio—who, I presume, has reached an age where he does not mind being called the senior Senator from Ohio—made. I noted, as the junior Senator from Ohio was speaking about the possibilities of the public housing becoming a slum, that he apparently did not tie in the higher cost per room of these buildings with the longer term over which the public grants last. In other words, in order to keep the buildings from being slums at the end of the period, it is necessary to build them more substantially than is required for an FHA loan; otherwise they will become slums, exactly as the junior Senator from Ohio fears.

Mr. BRICKER. We both hope they never will be.

Madam President, I have prepared some amendments, along with the Senator from Washington [Mr. CAIN]. I shall not elaborate on them at this time, but their purpose is to make housing facilities available to the lower-income groups. The first amendment fixes a dollar-income maximum for those persons entitled to occupy the projects and under which they would be entitled to remain. I think the amendment is necessary, because at the present time many families, in some places a great majority of the families, in low-rental projects which were erected prior to the war are in a higher-income group. It was necessary for the Congress to permit the condition to continue. The Eightieth Congress enacted a law to permit the continuance of that situation. But there should be some provision in the law to make such projects peculiarly available to those persons who are entitled to relief and to the welfare grants of the Government, or to those persons who are in the lower-income group.

There is a second amendment, which I shall later discuss more at length, which would prohibit Government employees from living in those projects. With the grant which the Government is giving, it would bring the rent down much lower than Government employees would otherwise find available. I remember that in one project 37 percent of the Government employees of the housing area live in the project. They are the beneficiaries not only of the taxpayers' money, which is paid them in salaries, but also of the grant of lower rent. In one instance the mayor of a community was a tenant in one of the Government projects. I know that is not true of a large percentage, but, nevertheless, a man who is capable of influencing his fellow citizens to elect him mayor, or to the city council, or who is able, because of his political contacts and connections, to obtain a job with the Government, also has strings he can pull and contacts he can make in order to get one of these \$12,000 rental units at a depressed rate. The Government is not only paying his salary but is likewise giv-

ing him a further emolument which is reflected in the lower rental he has to pay for the unit.

The third amendment is one which has already been discussed by the Senator from Indiana [Mr. CAPEHART] and the senior Senator from Ohio [Mr. TAFT]. It is in regard to segregation in the various housing projects. We all know that throughout the country there have been segregated units. There are units for Negroes, units for Spanish-Americans in some of the Southwestern States, and units for white people. It may be that some of them are for a combination of races. But this is the one opportunity which the Members of the Senate will have to vote on the proposition at this session. We have seen a great deal of shadow-boxing with reference to an attempt to put the responsibility for the failure of the civil-rights program on this side or that side or some other place. Here is a chance for us to vote our party platforms. I do not have to read them; we have all read them. One of the emphasized points in both party platforms, and in the campaign, was that we stand for civil rights. If we do, let us be honest about it. If we do not, let us likewise be honest about it, but vote one way or the other. This is one place in which the taxpayers' money is being used for those who are in need. It is not putting the hand of the Federal Government and the control of Federal authority on local communities. It is not saying to employers, "You have to do this, that, or the other thing." It is not saying to the States, "You will be restricted within certain limits." It is simply carrying out the Constitution of the United States.

A moment ago the question was asked whether this bill would pass if it contains this amendment. If it does not pass, there is something wrong with the bill, something wrong with the Constitution of the United States, or something wrong with the platforms of the Democratic and Republican Parties, both of which parties came out frankly and without any equivocation in favor of civil rights. Here is one chance for the Members to vote their belief and stand for or against it.

I join with the Senator from Washington in presenting the amendment to the Senate so that we may have a record vote upon the issue, which is a direct issue, and we shall have an opportunity to say "yes" or "no" and have our decision recorded. If the bill with this amendment is defeated, well and good. That will mean that there is something wrong with the bill, or something wrong with the party platforms, or with the speeches which have been made in the shadow-boxing which has taken place over this issue up to the present time.

Mr. DOUGLAS. Madam President, will the junior Senator from Ohio yield for a question or two?

Mr. BRICKER. I shall be glad to yield to the Senator from Illinois.

Mr. DOUGLAS. I was, unfortunately, not in the Chamber when the Senator began his address, but I heard most of it, and I should like to inquire whether I am correct in my understanding that



the junior Senator from Ohio said it was the Federal Government which built these houses and operated them in various cities.

Mr. BRICKER. It is done, of course, as I well know and as the Senator from Illinois well knows, under the management of local authorities; but the Federal Government has a controlling hand in it, because, in my State, when the Supreme Court of the State said the projects could not be exempted from taxation, the Federal Government immediately took back title to them and operated them through its agency.

Mr. DOUGLAS. I think it is unique, is it not, that in Ohio local authorities do not have the power to operate these housing projects?

Mr. BRICKER. They have the power to operate them; there is no question about their power. The only question is whether they can levy local taxes on agencies of the Federal Government.

Mr. DOUGLAS. Is it not true that in every other State of the Union public housing is constructed by local authorities and operated by them?

Mr. BRICKER. So far as I know, that is correct.

Mr. DOUGLAS. Are not the contracts let by the local authorities?

Mr. BRICKER. Oh, yes, with a Federal authorization that comes through the law. If it were not given through the law, there would be no authority for the contracts, and, of course, the local agencies would be operating with their local funds, or in a vacuum.

Mr. DOUGLAS. Will not the construction be under contracts let by local governments, and not under contracts let by Federal authority?

Mr. BRICKER. Of course the loans come from the Federal Government.

Mr. DOUGLAS. But it is the local authority which lets the contracts, is it not?

Mr. BRICKER. Yes; that is correct. But the Federal authority fixes the value of the improvements and the amount of money which can be spent.

Mr. DOUGLAS. The junior Senator from Ohio is, I am sure, aware of the fact that these figures are ceilings, not averages.

Mr. BRICKER. As I said a while ago in regard to the expenditures of public funds—and I have had some experience with such matters in the field of local government as well as in the field of the Federal Government—the maximum very quickly becomes the minimum. I am quite sure it will do that in this situation. Every local community wants the very finest it can secure in its public housing projects. It wants them constructed according to the highest standards. It wants to boast of them. I remember full well that in 1940 the President of the United States came to my city. I was holding a local office. The President was on a nonpolitical inspection tour, prior to election. The President asked me to ride with him. It was a high compliment and a great honor that he paid me. He asked me to go along with him, rather than ask the candidate of his own party. It was a situation peculiar to Ohio, in which the Senator from Illinois would not be inter-

ested. We rode through Board Street to a housing project. There was a great celebration at that time. That was the only inspection that was made. We were justly proud of the project, because it was a beautiful development. The cost was above the average.

Mr. DOUGLAS. May I ask the Senator from Ohio if he will turn to section 203 (5), page 31, of the bill, beginning on line 2:

The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner—

Now I emphasize these words—that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration.

So that the injunction of the Federal Government is for simplicity of design and materials in construction and administration, and if that is violated, it will be violated by the action of local governments and not by the direction of the Federal Administration.

Mr. BRICKER. But must be with the approval of the Federal Administration, or money will not be available.

Mr. DOUGLAS. There is a direct injunction here that there must be simplicity of design and economy in construction and administration.

Mr. BRICKER. Those injunctions have been practically in every building authorization enacted by the Congress, as well as in all other appropriations, and I defy anyone to show where there has yet been any great economy in the administration of Government authority on the Federal level.

Mr. DOUGLAS. I should like to ask the Senator from Ohio another question.

Mr. BRICKER. I remember that when I was in office in Ohio, every week someone called upon us from the Federal Government. The callers never came singly, they came in pairs, sometimes three at a time, to discuss how the Federal Government could control the manipulation by the State government of the funds in the State of Ohio, which were grants-in-aid for various projects. Then the week after the visit of the first two callers a couple more came in to check up on what they had done, and sometimes "checker uppers" on the "checker uppers." If that indicated economy in government, I am at a loss to understand how it could do so. The same thing applies to the kind of a building program we are now considering. There will be no economy, except in the limits imposed by the Congress on the cost of any kind of building erected by the local housing authority.

Mr. DOUGLAS. I should like to ask the Senator from Ohio if he will now turn to page 17 of the report of the Committee on Banking and Currency on the housing bill.

Mr. BRICKER. Is that the original report?

Mr. DOUGLAS. Yes, page 17. I should like to call attention to the first sentence, under the heading "Costs under present program." I quote:

The average over-all cost of the projects developed under the United States Housing

Act, most of which were built in the years 1938 to 1942, was only \$4,649 per dwelling.

That included land costs and utility costs, as well as construction costs.

I have here a break-down of these figures in the testimony given by Mr. Egan before our committee on the 7th of February, which show acquisition costs of \$631, improvements and utility distribution system costs of \$459, a total of \$1,090, almost \$1,100, whereas the actual construction cost was \$2,882 per unit. Since the average unit undoubtedly comprised more than three rooms, that meant that we had average construction costs of less than a thousand dollars a room. While costs were much lower then than now, I think it can be said that the construction costs under the Public Housing Administration at that time were not in excess of private construction costs, and may in fact have been below them. So that the experience we have had to date does not, I think, support the Senator's contention that public housing must of necessity be excessively costly and wasteful, although I am sure the Senator made the statement in the utmost good faith.

Mr. BRICKER. I not only made it in good faith, but I made it with an experience back of me upon which to base my judgment.

If the figures given by the Senator were the costs in 1938, there were many hidden costs in the figures, costs of administration and other items, which do not attach themselves to the cost figures which are read here. I certainly know those are not the figures in my community of the per-unit costs of the housing units, even under the earlier bill.

If the figures are accurate, that is certainly a proper index to follow. With prices coming down, and with construction costs lessening day by day—and they will be much less a year from today—let us put a limit below what it is at the present time, which is far above the cost of the average American home, and almost twice as much as the GI loans and the guaranteed loans to the home builders themselves. There certainly can be no justification for the Congress authorizing the construction of housing units for occupancy by people who are entitled to welfare grants from the Government at a higher cost per unit than that which is authorized under GI loans, for those who fought for their country, and who borrow their money and assume the responsibility of building their own houses, or buying them from others who have already built them.

Mr. DOUGLAS. Will the Senator from Ohio permit me to correct one or two of his statements, on the basis of the figures I have?

Mr. BRICKER. I have those figures in my file.

Mr. DOUGLAS. The Senator quoted high administrative costs. According to the figures submitted by Mr. Egan, the local authority overhead was \$84 per unit, or a little less than 2 percent of the total cost per unit. The architectural and superintending charges were \$243 a unit, or about 5 percent. Anyone who deals with architects and engineers knows that a 5-percent charge is fairly reasonable. So I submit that on the



basis of the some 150,000 units constructed to date, the costs have not been excessive, and we have made every effort in the bill to keep costs down.

Mr. BRICKER. Two thousand five hundred dollars a room, or approximately \$15,000 for a dwelling, which the cost might easily reach, does not indicate a serious effort on the part of Congress to hold down costs.

In regard to the engineering and architectural fees, it seems to me that the units should be standardized. There should be consistency in the program, and there should be a minimum in the overhead for engineering and architectural fees, in regard to the construction of this elaborate program of 810,000 units.

Mr. DOUGLAS. I should like again to point out to the junior Senator from Ohio that in the committee we have constantly emphasized that the figures which I have just quoted are average costs.

Our bill deals with maximum costs, a normal ceiling of \$1,750 per room, which as a matter of fact is probably less than the \$1,000 a room ceiling imposed in the thirties, in view of the increase in materials and labor. Then we have a super-ceiling intended for a city like New York, where costs are excessively high, up to probably \$2,500 a room. But there is every intention to keep the costs down below those ceilings.

Mr. BRICKER. That intention might be the most wholesome in the world, yet it is the execution of the law that really will determine whether economy has been effected. If the Senator has had any experience similar to what some of us have had in Government costs, he knows that they are in excess of costs in private construction.

Mr. SPARKMAN. Madam President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. SPARKMAN. I should like to ask the Senator if it is not well when we discuss maximum costs for us to keep in mind the fact that these figures which are given are the absolute maximum, that they are the absolute ceiling? Instead of talking about a house which is going to cost \$12,500, is it not well for us to keep in mind that under the provisions of the bill the average public housing unit which is built must cost not more than \$8,500? If it costs more than that we simply cannot carry out the program. That is all there is to it.

Mr. BRICKER. That is an over-all limit. Not on any one project.

Mr. SPARKMAN. But from hearing some people talk I am afraid the impression will go out that all the units we are going to build will cost \$12,500. That is not true. The average over-all cost cannot exceed \$8,500.

Mr. BRICKER. That is excluding the land.

Mr. SPARKMAN. Yes.

Mr. BRICKER. Add \$2,000 cost of the lot, and the cost of demolishing the property, and the total cost would be brought up to \$10,500. That is the average.

Mr. SPARKMAN. \$8,500 would be the average.

Mr. BRICKER. I yield the floor.

Mr. CAIN. Madam President, will the Senator yield?

Mr. BRICKER. I yield for a question or yield the floor.

Mr. CAIN. I should appreciate the Senator yielding for a question. If I understood the Senator from Alabama correctly, his assumption is that the house will cost only \$8,500, exclusive of the land and exclusive of demolition, provided 810,000 accommodations are built.

Mr. BRICKER. Yes.

Mr. CAIN. Does the Senator subscribe to my statement of understanding of the position of the Senator from Alabama?

Mr. BRICKER. Yes. Furthermore, in response to the question of the Senator from Washington, there is an opportunity for the President to expand or diminish the program within any one year, without regard to the maximum limit.

Mr. KNOWLAND. Madam President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. KNOWLAND. Apropos of the actual cost figures, I wonder if the Senator is familiar with the rather large-scale projects which were built at the Hanford plant, where 2- and 3-bedroom houses were being constructed for the people at Hanford. There was a considerable unit production there. My recollection is that the cost ran between \$12,000 and \$14,000 per house, and I do not believe that that cost completely included land acquisition.

Mr. BRICKER. I am not familiar with the figures. We had them before us last year in the joint committee. We also had before us the cost of the Oak Lodge or Log Lodge project in that area. The cost per unit was enormous, clear out of all reason. Of course the figures with respect to that project are not wholly conclusive, because that community was rather far away, and shipping costs might be higher than in other places. That is something I do not know. But the plans for the units certainly are not either elaborate or excessive. They are the type of units which one would expect to be built under a Government housing program. So undoubtedly those cost figures, which may have been a little higher than they are at the present time, would be good evidence of what we might expect for the cost of this kind of program. I am sorry I do not have the actual figures.

Mr. HUMPHREY. Madam President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. BRICKER. I yield.

Mr. HUMPHREY. I should like to ask the distinguished junior Senator from Ohio whether or not these projects, as the bids are let for them, are on the basis of competitive bidding for private contract?

Mr. BRICKER. That is correct. That is what they are supposed to be under the law, and I am quite sure they are.

Mr. HUMPHREY. In other words, neither the Federal Government nor the

Corps of Engineers nor any other agency of the Federal Government actually builds the units?

Mr. BRICKER. No; they are built by local contractors under the local agency, which is really in fact, although appointed locally, an arm of the Federal Government. The only controls on costs are the maximum controls prescribed by the pending bill.

Mr. HUMPHREY. Is it not true that each public-housing project must be approved by the local governing body?

Mr. BRICKER. It is accepted by the local body.

Mr. HUMPHREY. And must be approved by the local body?

Mr. BRICKER. No; accepted by the local body and approved by the Federal agency.

Mr. HUMPHREY. I mean before a project can be constructed, before a plan of slum clearance or public housing can be inaugurated, it must be approved by the local governing body?

Mr. BRICKER. The local governing authority must adopt a resolution before a slum-clearance project can be initiated. I think a question of that sort should be put up to the referendum of the people themselves.

Mr. HUMPHREY. But is it not true that a public-housing project must have the approval of the local governing body?

Mr. BRICKER. Yes; that is provided in the bill.

Mr. HUMPHREY. So we have local governing bodies actually authorizing, actually supervising and approving the construction of a public-housing project in the locality.

Mr. BRICKER. That is true. According to the plans made by the Administrator.

Mr. HUMPHREY. Moreover, we have the standard competitive bidding procedures of the municipality or locality applied to the letting of the contract figure for the construction of public housing?

Mr. BRICKER. That is correct. By reason of decreasing costs of materials, and from the experience I have already had personally in letting bids for construction of large projects, I am hopeful there may be economies effected. Until the present time there has not been much opportunity for cutting costs in the competitive-bidding field, because if a bid was received which came within the engineer's estimate it was doing very well. There is some evidence that the situation in that respect, however, is becoming much better. If this title of the bill is passed, I am very hopeful those economies will be put into effect, and that there will be local control, that there will be competitive bidding, and that advantage will result from decreasing costs and greater efficiency of labor production and so forth and so on. All those factors might bring the costs down. I am fearful, however, that unless Congress puts a dollar limit upon the cost it will not be effective.

Mr. HUMPHREY. I gather, I may say, from the remarks of the Senator from Ohio, that he feels there have been some excessive costs.



Mr. BRICKER. I think there have been excessive costs in most all Government projects.

Mr. HUMPHREY. Am I to interpret the Senator's remarks to mean that local governments should have legislation imposed upon them by the Congress telling them what their administrative costs must be?

Mr. BRICKER. So long as the Federal Government is putting up the money and paying the difference in cost of the rental units, and so long as there is a desire on the part of the local governments to get what they feel is something for nothing from the Federal Government, which they do not have to tax their communities to secure, I think some curb must be placed on the dollar expenditure in the law itself.

Mr. HUMPHREY. I wonder if the Senator from Ohio felt that way concerning the righteousness and omnipotence of the Federal Government in the rent-control law which was discussed on the floor of the Senate, or did the Senator at that time base his case on the local governments?

Mr. BRICKER. I have talked against the Federal Government going into the local field, on the ground that both the Federal Government had no business in that field at the present time, and that the local government should assume its own local responsibility, for I believe it can handle the situation better than can someone sitting behind a desk in Washington.

Mr. HUMPHREY. In other words, is it not true that the Senator from Ohio feels that local government is best able to manage local affairs?

Mr. BRICKER. That is true. That is a distinct philosophy of mine.

Mr. HUMPHREY. Senate bill 1070 permits local public authorities to make contracts to build public-housing projects, and permits local authorities to supervise and administer the building of the housing projects. Does not the Senator feel it desirable to have less Federal interference in terms of saying what the administrative costs ought to be and what the Federal regulations ought to be?

Mr. BRICKER. It is desirable so long as the responsibility is on the local governments. I mentioned in the beginning, but I assume the Senator from Minnesota was not present in the Chamber at the time, that what is now proposed is based on the philosophy which is prevalent in the country and has been for a long time, and seems to be gaining ground on the part of the local citizen, that if he can get something from his Government which he does not have to pay back, he is better off. We seem to have lost the old philosophy America was built upon, which was, "What can I do to help my Government?" There seems to be prevalent the philosophy among too many of our people, "What can my Government do for me?" Yet we receive more out of our local tax dollar than we receive out of any other tax dollar at the present time. Certainly I favor local government. But the cities have gotten into the frame of mind—and I saw much of this during the relief era in Ohio—

where they want to get as much money as possible out of their State governments or the Federal Government. They want to get money from the State or Federal Government, and not be obliged to tax their own people, and not be obliged to pay back the money, so they can then say to their citizens, "Look at the great job we have done, and it did not cost us a cent."

Last year a Senator showed me a letter which he received from a citizen of his State in regard to the contribution for education in his State. The Senator voted against legislation then pending providing for Federal aid to education. The writer of the letter said to him, "But do you not know that this does not cost the people of your State one red cent? That the money is all to be paid by the Federal Government?" That illustrates the feeling which seems to prevail in so many places in our country and among so many classes of our people.

Further, the States have gotten into the frame of mind that if they can come to Washington and secure contributions, if they can secure grants-in-aid, if they can secure subsidies from the Federal Government, somehow they are going to get the aid in this over-all picture and will never have to pay it back. In other words, they are giving up their local government to the Federal Government until the point was reached a year ago, at the joint meeting of the Representatives of Congress and the Governors' Conference, that the Governors said to the Congress—we have paid no attention to it thus far, and I am sure we shall not, judging by what has happened—"cut down your grants-in-aid to the States and release to us some of the areas of taxation so that we can continue projects on a local level and get the money to carry them on."

It is fundamental in political philosophy that the more we build the power of government the more we take away the rights of the individual citizen. The more powerful the Federal Government becomes the less important the State governments become. The more the State governments reach out into local communities, with money or authority the less authority there is close to the homes of the people. To my mind there is a tendency toward centralization and totalitarianism which I am quite confident the junior Senator from Minnesota joins me in opposing.

Mr. HUMPHREY. Madam President, will the Senator further yield?

Mr. BRICKER. I yield.

Mr. HUMPHREY. I wonder whether the Senator from Ohio was in the Chamber yesterday when I presented for the consideration of the Senate telegrams from the mayors of a number of large cities. They were deeply concerned about the housing program. They were in favor of the general principles of Senate bill 1070. I wonder whether or not the junior Senator from Ohio remembers that the mayors pointed out that tax revenues of municipalities were being devoured and consumed by the slum areas and the blighted conditions which exist in their cities. It was pointed out that for every dollar of taxes from a

slum area the cost of maintaining it averaged \$6. In some instances the cost of maintaining a slum area and furnishing services ran between 8 and 15 times the taxes produced by a slum area.

Is it not true that the provisions of this bill—which I trust will be enacted into law—would make possible a reversal of that very difficult situation which faces municipalities? Would not the bill make possible the elimination of slum areas and the demolition of some of the decrepit and blighted hovels, thereby relieving municipalities of the tremendous burden of public-service costs which they now have to pay? Is not that one of the good effects of the bill?

Mr. BRICKER. As I see it, that is the reason for the bill. There is no other justification for the bill. I favor that particular section of the bill, for this reason: The cities have neglected their local responsibilities in cleaning up slum areas. If they had started 20 years ago, when they should have started, to enforce the local laws, to require compliance with their building codes, and to get rid of the crime-infested areas, we would not be faced with this problem today. The mayors who are imploring us to come to their aid have throughout the years—not the same individuals, of course, but the same communities—avoided local responsibility in many respects.

We are facing a condition. We are not facing a theory, or applying a philosophy of government. This condition exists. It is a serious and costly condition. For that reason, if the Federal Government can furnish an impetus, either through grants or loans—although I would not be as much in favor of grants as loans—to the local governments to clean up the situation, it will be a wholesome thing. I hope that can be done without destroying the sense of local responsibility which the people themselves must ultimately assume if the program is to effectuate the purpose which we hope to accomplish.

Mr. HUMPHREY. Madam President, will the Senator further yield?

Mr. BRICKER. I yield.

Mr. HUMPHREY. Did the Senator hear me read telegrams from the mayors of St. Louis, Seattle, and San Francisco?

Mr. BRICKER. Yes.

Mr. HUMPHREY. In those telegrams the respective mayors pointed out that their local public housing authorities had opened up new areas of civic participation for the individuals who lived in the housing projects. Such projects had reduced crime, delinquency, and disease. They had reduced the cost of government. The actual citizen participation on the part of residents in public housing projects was far beyond that in any blighted area. Would the Senator say that was good for democracy, and good for the Nation? Let us not get into the argument about democracy today. Would the Senator say that that is good for the Nation?

Mr. BRICKER. I think it is good for the local community. It is a responsibility which should long ago have been assumed by local authorities. That is one reason why I join with the junior



Senator from Washington [Mr. CAIN] in an amendment which would require that wherever there is a housing development, a slum unit shall be destroyed for every unit of new housing, replacing one with the other. I hope that when this project gets under way the cities will be able to eliminate at least a portion of their slums. Slums are not entirely the result of a housing situation. They represent the state of mind and the spirit of the people. Those factors enter into the creation of slums. I do not want to see this program made a program by which the slums can be pushed from one section of the city into another, or scattered into other communities. I want to see some ultimate good effected by this kind of program. The best way to help the cities is to reduce the costs of Federal Government, so that they will have a little more money with which to operate.

I do not know whether the Senator remembers the figures which I gave. The \$42,000,000,000 Federal budget this year will take out of my State \$2,430,000,000. That is \$300 for every citizen of Ohio. It is \$1,200 for every family in our State. It is equal each year to one-fourth of the appraised value of all the personal and real property in my State. If the Federal Government could somehow give a little of that back to the communities by way of taxation, so that the responsibility, as well as the opportunity, would be with the local governments, it would not only improve the condition of the municipalities but would strengthen the very foundations of our representative system of government. It would not take away individual opportunity. It would not deprive the people of our country of the very foundation of our government structure, which is local reliance, individual responsibility, and willingness to take care of ourselves in our own homes and our own communities through local government, without seeking the largess of the Federal Government, which reaches down in a sort of omnipotent, papaknows-all theory of government.

Mr. HUMPHREY. Is it not true that local government has only such authority and such taxing powers as are granted to it by the legislature? Is it not true that the local municipality is literally the child of the State government? Is it not true that there is no inherent taxing power within a local municipality? If that be true—and I think the answer is quite obvious—how can it be said on the floor of the Senate that by reason of the fact that the Federal Government relinquishes taxing powers, the towns and municipalities will be enabled to tax? What tax can the Federal Government relinquish today which a municipality could place upon its ordinance books, and which it does not already have? What taxes could the Federal Government give up today that a municipality could legislate tomorrow without the concurrence of the State legislature?

Mr. BRICKER. Of course, the situation may not be the same in the Senator's State as in my State, but in the State of Ohio the local government has

full taxing power. Taxing authority is lodged in the counties and municipalities, and they have unlimited taxing authority. I think that is true in the majority of States, except in the fields into which the State has entered. Under our decisions in Ohio, the State has exclusive authority to tax in a particular field. But if some of the \$300 per individual, or some of the \$1,200 per family, were left back home, there would be a little more money with which to take care of local needs not only of the individual but of the local government as well.

A moment ago I mentioned the Conference of Governors, which asked the Congress of the United States to cut the appropriations for grants-in-aid to the various States and open up some of the fields of taxation—at least to get out of them, so that they would be available for State and local taxation, thus providing more money with which to carry on the affairs of local government. Last year in my State—and I think the same situation prevails in the Senator's State—the amount of money collected for the annual expenses of the Federal Government, the \$42,000,000,000 budget, was thirteen and one-half times the total amount of money collected for local and State governments from all real estate, public utility, and personal-property taxes.

Mr. HUMPHREY. Madam President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. HUMPHREY. Is it not true that such statements, however, are somewhat misleading when they fail to take into consideration the fact that local and State governments do not pay the war debt, do not pay the interest on the public debt, do not pay for veterans' benefits, and do not pay for national defense expenditures or for foreign-policy commitments, such as those under ECA; and is it not also true that a statement about the tremendous amount of tax revenues the Federal Government takes in, as compared to the amount of revenue of the State and local governments, is not particularly helpful, because the situation of the State and local governments is not comparable to that of the Federal Government? Is not that true?

Mr. BRICKER. Let us make it comparable then: The money does not come from the local governments or the State governments, but it comes from the pockets of the taxpayers of the country; and the payment of \$300 in taxes is of great concern to the taxpayers, regardless of whether that money goes to the Federal Government or goes to the State or local governments. After all, the burden is on the taxpayers, regardless of whether the taxes obtained from them go to the local government, the State government, or the National Government.

Our country has now reached the point where business is being depressed and individuals are losing their initiative and are fearful of their investment dollars; they are fearful whether they will obtain a return on their investments, and are particularly fearful as to whether they will ever get back their investments.

Let me point out that last year the Committee on Banking and Currency held hearings on a proposal for long-term capital loans; and various witnesses before the committee stated that such loans were necessary. We inquired as to the necessity, and we were told that the supply of investment money is drying up, and money is not going into new investments in the way that it should. We asked why that was, and we were told that in the first place there is a skepticism among investors in regard to making further investments in this country, for they have been educated to distrust investments; and, in the second place, it was pointed out that taxes are so high that people are fearful that they will not get a return on the money they invest, and perhaps never will get back their invested dollars. In fact, they are more afraid of losing their invested dollars than they are of not getting a return on their investments.

After all, Madam President, our tax structure has reached a point where it has a stifling effect on business and on the willingness of the individual to work and to save and to invest.

Mr. HUMPHREY. Madam President, will the Senator yield for a further question?

Mr. BRICKER. I yield for a question.

Mr. HUMPHREY. In other words, the Senator from Ohio would have us come to the conclusion that taxes are injurious upon business or are an impediment to the expansion of business; is that correct?

Mr. BRICKER. Taxes are too high, and I am fearful that now they have reached the point of diminishing return, so far as the use of tax moneys by our Government is concerned.

Mr. HUMPHREY. Would the Senator from Ohio say that inasmuch as the Federal Government has encroached on the areas of local taxation, at least the fair thing for the Federal Government to do, in view of its omnipotent taxing power, is to give back to the people some of that money, thus returning that much of it to the source whence it was gathered?

Mr. BRICKER. No; not give it back.

Mr. HUMPHREY. Or, let us say, make a refund?

Mr. BRICKER. I am in favor of cutting down the cost of government, so that the individual citizen who works may have more of his income left for his family needs and for his community enterprises. The plain fact is that when we get down to the ultimate answer to this problem of the cost of government, we find that all tax revenues must come from one of two sources: One of them is the utilization of natural resources, and the other is the earnings of human labor. So the present tremendous cost of government must come from those two sources, ultimately; both the money we are spending at home and the money we are spending abroad must come from those two sources.

Mr. HUMPHREY. Madam President, will the Senator from Ohio permit me to make a brief observation at this point?

Mr. BRICKER. I yield for a question, and then shall yield the floor.



Mr. HUMPHREY. Very well; I shall endeavor to state what I have in mind in the form of a question. I understand that the Senator from Ohio has said he is interested in cutting down the costs of government. I agree with him as to that. I also am interested in cutting down the costs of government, and I am open to any practical suggestions along that line. Therefore, let me inquire how the Senator from Ohio would answer the statement of the mayor of Kansas City, Mo., who said that the slum areas of Kansas City, Mo., yield 6 percent of the tax revenues of that city, but require the expenditure of 45 percent of its revenue. Would not it seem possible that the best way to cut down the cost of government in Kansas City, where several hundred thousand people are living and working—and we are talking about people, not cities or counties—would be to do away with such slum areas which, as I have pointed out in the one instance I have mentioned, require the expenditure of 45 percent of the entire revenue of the city, although the slum area involved yields only 6 percent of the city's revenue? Would not it be desirable to use tax money to produce conditions in which desirable citizens could develop?

Mr. BRICKER. There is no doubt that it would be desirable, and also there is no question that the program or desired result could be effectuated if the mayors of the various cities had assumed their full responsibility, because there are already on the statute books sufficient laws to enable the various cities to take care of that problem. If they wish to do so—and we should remember that such slum areas pay a higher rate of taxation than do many other areas of the cities—they could enforce the laws already on the statute books, including the safety laws and regulations and health regulations, and thus could greatly improve such conditions. So the answer lies in the local governments and in having them assume their responsibilities.

In short, Madam President, the purpose of the present proposal is a good one, and I hope this proposal will accomplish the purpose we seek to have it accomplish; but it cannot be accomplished unless the local authorities assume their rightful responsibilities. Likewise, it never can be carried out from the city of Washington, because administration from the city of Washington is lacking in local interest and in the intimate contacts and the responsibilities at the local level which must exist if this problem is to be solved.

Mr. HUMPHREY. Madam President, will the Senator from Ohio yield for a further question?

Mr. BRICKER. Yes; I yield for a question.

Mr. HUMPHREY. Then would the Senator from Ohio have me assume that every municipal official and every county official in the history of the Nation—because every major city suffers from the blight of slums—

Mr. BRICKER. In varying degrees. We cannot classify all of them as blighted.

Mr. HUMPHREY. Although there is variation in respect to the degree, yet there is no city in the United States which does not suffer from some kind of blight because of some type of slum.

So, Madam President, from the statement which has been made by the Senator from Ohio, are we to conclude that this problem could have been handled by the local authorities, and that all they had to do was to have the courage to enforce the existing laws? Then are we to infer that all local and city officials in the United States since the beginning of our history have been lacking in the courage to enforce the authority vested in them by the State and city laws and regulations?

Mr. BRICKER. That may be the Senator's conclusion; but certainly it is not proper for such persons to say that the Federal Government must take care of this matter. Ultimately the responsibility rests on the communities. I, for one, do not attribute to any American city a deliberate lack of responsibility or a deliberate refusal to meet its responsibilities. I do not say that such a situation has brought about this problem; but I say there has been a lack of courage to enforce local laws which, if enforced, would have prevented the occurrence of the situation which we find in so many of our cities today.

So, Madam President, I place the responsibility where it belongs, namely, in the local communities. This bill will not solve the slum problem at all. It will not permanently relieve the problem in the cities of the United States. This bill is a mere palliative. At the very best, it is a mere incentive. It will be a start, but a start only in the right direction. I hope it will not amount—and the Senator from Washington and I are trying to prevent it from doing so—to a dispersal of the slum areas, with the result that they will infest other sections where housing units are built.

Mr. HUMPHREY. Madam President, will the Senator from Ohio yield for a further question?

Mr. BRICKER. I yield for a question.

Mr. HUMPHREY. Then are we to assume that the mayors of the cities, the city councils, the municipalities and the legislatures of a number of the States which have endorsed the slum-clearance and public-housing program are totally unaware of what is good for them and of their needs, and are totally unaware of the kind of local program, such as the one embodied in this bill, which will fundamentally meet their needs?

Mr. BRICKER. They are aware of it, or else they would not have sent telegrams or letters to the Senator or would not have come before the committee. Certainly they are aware of the situation, as all of us are aware of it. However, I think they sometimes over-emphasize the problem. I think we should sometimes look to the fine sections of our cities and to the good jobs which have been done, and should not always emphasize the deplorable side of our society.

Mr. CAIN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. I inquire what is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN], on behalf of himself and the Senator from Ohio [Mr. BRICKER].

Mr. CAIN. I ask that the amendment be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 25, line 11, following the word "and" at the end thereof, it is proposed to insert "(iii) unless the project or projects in the locality, which are to be assisted under this Act, shall have been approved by referendum of the voters in the locality at a general or special election; and."

Mr. CAIN. Madam President, the junior Senator from Washington wishes at this time to make his position on the pending legislation, Senate bill 1070, completely clear. The Banking and Currency Committee did not hold hearings on S. 1070 as such, for hearings were held simultaneously on seven pieces of proposed legislation, all related to housing or to certain of its phases. Of those seven bills which were before the Committee on Banking and Currency, two were low-rent housing and slum-clearance bills, broad and very general in nature. They were S. 138, the administration bill, sponsored by eight of my colleagues on the Democratic side of the aisle. The other bill was S. 709, quite similar in fact to S. 138, and sponsored by 16 of my Republican colleagues on this side of the aisle.

The committee in due time, after a great deal of thought, reported favorably S. 138. On the final vote concerning S. 138, as I recall, the junior Senator from Ohio [Mr. BRICKER] and the junior Senator from Washington voted against the bill. I think some Senators will be interested in knowing why two out of the entire number of Senators, both Democrats and Republicans, thought it wise and necessary to vote against a bill which concerns most of us very deeply. I have a right, and, I think, a need to raise the question as to whether the junior Senator from Washington is opposed to slum clearance. The answer is "No." Is he opposed to redevelopment for the American communities situated throughout the 48 States? The answer is "No." Is he actually opposed to low-rent housing? Again the answer is "No."

The junior Senator from Washington voted against S. 138 in committee, for he was most sincerely convinced that the bill could, should, and must be improved before being passed by the Senate. As I understand the situation, S. 138 is not now, nor has it been, on the Senate Calendar. S. 1070, an improved bill, with bipartisan sponsorship, and combining the best features of S. 138 and S. 709, a clean bill, is now before the Senate for debate and consideration.

I join with all other Senators in hoping and desiring the bill to be the very



best possible legislation the collective wisdom and ability of this distinguished body can devise and produce. No other legislation to my mind, be it domestic or foreign, now or hereafter to be considered during this session of the Congress, will eventually prove to be so costly. I think we should attempt, as sincere and conscientious and honest men are doing in the debate, to draw a blueprint, to write most carefully the specifications for this monumental undertaking in the form of a housing bill. Let us hope our work eventually will be well done.

The junior Senator from Washington is privileged, indeed, to have joined with the junior Senator from Ohio in offering for consideration by the Senate a number of amendments. All the amendments which we seek to bring to the favorable attention of the Senate have been offered in a good spirit and with a profound hope that they will improve the basic structure of the pending legislation.

Mr. McCARTHY. Madam President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wisconsin?

Mr. CAIN. I am very happy to yield for a question.

Mr. McCARTHY. After going over S. 1070 in a great deal of detail, there is one thing that disturbs me very much. I wonder whether the Senator has the other bill before him.

Mr. CAIN. Yes.

Mr. McCARTHY. If the Senator will turn to page 27, line 21, I note, starting with line 16, one very very substantial change from the public-housing bill which was submitted last year, which I think is an excellent change. It is lettered "(i)", and provides that there shall be no discrimination against families who are receiving a widow's pension, relief, and so forth; which I heartily approve.

On line 20, there is another clause which on its face would seem to provide that housing needs shall be the controlling yardstick in selecting tenants. In reviewing that language, I find that just the opposite result will be accomplished. I wonder whether the Senator can tell me what he understands by the term "at specified rents," and just what that means in this particular provision which has been adopted by the committee. Perhaps I could ask the Senator whether he has the same understanding of it as I have. If the three words "as specified rents" were stricken, am I correct that this provision would then mean that actually the family having the greatest housing need—which does not necessarily mean the family with the lowest income, but a family below the maximum scale—would be considered on the basis of the size of the family, the health of the mother and father, the conditions under which they are living, and that then actually the family would have priority? Furthermore, assuming the language were left as it is, is it the Senator's understanding it means that the rents will first be set at a scale ranging perhaps as they do now, from \$22.50 to \$55 a month, and that then the housing

needs will be taken into consideration only if the family in question can pay the rent which has been fixed for a particular unit; so that actually, under the language as now written, we shall not be giving priority to the family with the greatest housing need. Does the Senator so understand the language?

Mr. CAIN. I think the provision, as written into the bill, will make likely the happening of that to which the Senator has referred. As I understand, specified rents will be established which will permit a local body, generally a housing authority having jurisdiction, to select tenants whose ability to pay is either higher or lower than the median rent laid down. If that be so, it would certainly mean that quota X, over the \$30 median figure, would have to be established, in order to accommodate an equal number of those who were able to pay as many dollars under the line as the others were able to pay over the line. Do I make myself clear to the Senator?

Mr. McCARTHY. Yes. Will the Senator yield for a further question?

Mr. CAIN. Certainly.

Mr. McCARTHY. I should like to invite the attention of the Senator from Alabama to my next question, because I think it is extremely important. I think the language on page 27 will determine whether we shall have a good public-housing bill or a very bad one. I think there can be no doubt about that. Am I correct in understanding that under that language a scale of rents is first established? Let us assume that there is a three-bedroom apartment and that the rent established is \$55 a month. Some of the projects run as high as \$55, some \$45. Let us say this apartment has a rental of \$55. In screening the applicants who need a three-bedroom apartment, we find a family with seven children. Let us say they are living in slum conditions at this time. Let us go a step further, and assume that the health of the father is such that he cannot earn a sizeable salary. Let us assume that he is earning only \$1,300 or \$1,400 a year. That situation can be found a hundred thousand times throughout the Nation. Am I correct in understanding that that family would be automatically excluded from the \$55 apartment because it was unable to pay \$55 a month? If I am correct in that, then the language needs to be changed. In my discussion with the experts and so-called experts of the housing agency, they heartily agreed with me that under this language that would be the situation. I wonder if both the Senator from Washington, who represents one line of thought, and the Senator from Alabama, who represents another line of thought, feel with me, that if the situation is as I have described it, the language should be changed.

Mr. CAIN. I may say to the Senator that I think that is the case, but I am not certain. Because all of us are trying to achieve the best housing legislation result, I should appreciate it if the Senator from Alabama would respond.

Mr. McCARTHY. Madam President, I ask unanimous consent that the Senator from Washington shall not lose the floor

by reason of having the question answered by the Senator from Alabama.

Mr. SPARKMAN. Madam President, I ask unanimous consent that such an arrangement be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. As I stated to the Senator from Wisconsin last Thursday, when he propounded a similar question to me, I do not believe his surmise is correct. I think that under the terms of the bill as it has been written, the family the Senator describes would certainly be eligible to get into the apartment.

Mr. McCARTHY. I am very very much concerned about this matter. I think the Senator from Pennsylvania [Mr. MYERS] should be even more concerned than I am, in view of the conditions existing in Pittsburgh and some other Pennsylvania cities. Just what is the purpose of putting into the bill the language "at specified rents"? What does it mean? It seems to me to be trick language to defeat what would otherwise be the obvious intent of the committee amendment. Why must we have that language in the bill, on page 27, line 21?

While the Senator is looking it up, let me go further, so that my position will be absolutely clear in his mind. I understand it to mean that, first, the rents are established, instead of first determining how much a family is able to pay. Then no one will be eligible for the particular rental unit unless he can pay the particular amount fixed. If we are to take care of those who have the greatest housing need, keeping in mind, of course, especially, the size of the family, if we mean to take care of the poor man, as we all say we do, it seems to me the language should be changed. If we say we shall take care of him, but not if he is too poor, I think that is a great mistake. It will make the program as unworkable in all the sizeable cities as it has proven to be in the past. As the Senator knows, I have probably spent more time investigating housing projects than has any other Member of the Senate. Other Senators were doing work which was equally important. The reason why I found so many objections to public housing was that the Administrator was doing exactly what we are probably telling him to do in this bill, namely, to exclude those who most need housing. What objection would there be to striking out the words "at specified rents", so it will be absolutely clear?

Mr. SPARKMAN. Madam President, if I may answer the Senator, I think he has construed the language absolutely in the reverse when he says that because a rental is established at a certain level and a man with a family is not able to pay that particular rental, he may be excluded. I think the opposite is true. When the rental which a certain unit should bring has been established, then if the man whom the Senator uses as an illustration has an income which is too large to entitle him to go into that kind of an apartment, he would not be eligible for admission to it.

Mr. McCARTHY. What if his income is too low?



Mr. SPARKMAN. It cannot be too low. In other words, it does not matter how low it becomes, he is entitled to a unit which will meet the requirements of his family. That is the reason why I say the able Senator has turned it around completely.

Mr. McCARTHY. Last year, when I offered an amendment to provide that the yardstick in selecting tenants for public housing should be the greatest housing need, the argument was made that only the poorest persons would be placed in public housing. For example, the Senator from Louisiana [Mr. ELLENDER] made the statement—and I think I quote him exactly—that if we should adopt the amendment, we would, in effect, be making public housing poor-houses. That idea was abandoned by the administration when it sent its bill to the Congress. I understand the President, with whom I do not always agree, goes along with the idea argued so much on the Senate floor last year, that when we provide public housing and spend approximately \$20,000,000,000 for it, we will start out by taking care of those who most need public housing. Yet there has been drafted a piece of legislation which will defeat that very purpose.

If the Senator can tell me any reason at all why the language is included in the bill, I should like to know it. It certainly is not to protect the poor man, because if the Senator will talk to any one of the officials in the Public Housing Administration he will be advised that, under this language, it will be impossible for a man who is unable to pay \$55 or \$45 a month to get the benefit of the proposed housing. No matter how great may be his housing need, it will be impossible to put that man into the housing unless he can pay the rent. The greater the housing need, the larger the family, the worse the health of the father may be, the less able he is to pay a higher rental.

Mr. SPARKMAN. As I have said before, I think the able Senator has concluded just in reverse. As a matter of fact, I have here a memorandum which comes from the Housing and Home Finance Agency, and from my reading of the memorandum I get just the opposite impression to that which the Senator from Wisconsin seems to get.

By the way, let me say that what the Senator has said about his own work in connection with housing is absolutely true. I suppose he has done as much as any other Senator, or perhaps more. He worked hard, I know, all during the Eightieth Congress. But I call his attention to the fact that the bill reported by the committee last year and the bill passed by the Senate was in the control of the Republican leadership. The pending bill, the bill before the Senate this year, represents the offering of the Democratic-controlled committee. However, I will say that we had no particular difficulty in the committee in writing in this language. We had cooperation from both sides of the committee. I do not remember that there was any particular difference of opinion on the subject. The print we first considered, in committee by the way, did not contain this particular provision about urgent

need. The committee wrote that into the bill, because we felt that families in most urgent need of housing should be admitted to the projects.

Following the questioning by the Senator from Wisconsin last Thursday, I must say that I was very much impressed with the argument he made at that time. I was afraid that there was something in the bill which we had overlooked, and that it might have the effect he suggested. I was concerned about it, so I took the matter up with the Housing and Home Finance Agency, and I have here a lengthy memorandum from them regarding it. I shall not read the memorandum at this time, but, Madam President, without prejudicing the right of the Senator from Washington, who is entitled to the floor, I ask unanimous consent to have inserted in the RECORD at this point this memorandum, dealing with the very subject matter referred to by the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY, OFFICE OF THE ADMINISTRATOR, MEMORANDUM FOR SENATOR SPARKMAN, APRIL 19, 1949

In the debate on Thursday reference was made to the section in S. 1070 which requires preference in public housing for low-income families on the basis of the urgency of their housing needs. The question was raised as to whether some trick language had been inserted in the bill as reported out by the committee which would have the effect of nullifying the intended preference.

The language to which the reference was made is not trick language at all. It is sensible and well-considered language which is necessary to attain the very objectives which are desired, namely, that preference be given to families having the most urgent housing needs. The suggestion for an additional authorization for contributions without limit as to amount, which would be necessary to accomplish the desired objective, seems not only unbusinesslike but also unnecessary. Both of these suggestions will be dealt with in detail, but first attention should be directed to the purposes of the bill in this respect and how its provisions would actually work in practice.

The primary purpose of public housing is to provide decent housing for families living in the slums. Families having the worst housing should get preference. This does not, however, mean that public housing should be used as a program of monetary relief for families who have no income or incomes that are far below the level of bare subsistence. It is the function of welfare and relief agencies to provide such families with the bare minimum of subsistence. The Federal Government should not provide funds to get rents so low that families with little or no income can be accommodated. To do so is really to put the Federal Government into the business of providing local relief assistance in those communities which do not provide reasonable welfare assistance. Welfare agencies must provide these families with a minimum subsistence income, and public housing can and will then accommodate them under the bill at rents in proper relation to their actual income—regardless of its source. They can and will do this under the present provisions of the bill.

The discussion on Thursday as to whether or not public housing is securing low enough rents overlooked two important points: (1) The lowness of the rents which are necessary and (2) the ability of public housing to reach

the required levels under the present provisions of S. 1070. Inquiry was made as to what would happen in the case of John Jones, who was earning \$600 a year and has six or seven children. The Senator said that he assumed the Housing Administrator would decide that John Jones could pay no more than \$20 a month rent. As a matter of fact, the rent which a local housing authority would set for a family with \$600 income would be not \$20 but less than \$10 per month. But whether the rent be \$20 a month, leaving \$380 a year for all the other expenses of John Jones and his six or seven children, or whether the rent were \$10 a month, leaving \$480 a year for everything except rent—in either case it is abundantly clear that John Jones and his six or seven children would starve.

But in this United States, families are not allowed to starve. Local public assistance, made available through local welfare agencies, provides the means to avoid starvation. Appropriate relief agencies would supplement the income of John Jones and his six or seven children up to the level of bare minimum subsistence. In larger cities he would be given enough relief so that, with his own earnings, he would have \$2,000 or \$2,500 a year available for himself and his children.

It will also be helpful to know how the local housing authorities set their rents and make sure that they have rents low enough to take care of the families who actually are in the most urgent need of housing. On the best available data, they determine what are the actual incomes of the families actually living in the slums and what rents they can afford to pay. They then set up a schedule of various rents to accommodate the spread of incomes among the families actually living in the slums. These rents under the graded rent system are set, not on the basis of the size of the dwelling but on the basis of the family's actual income. The top rents for admission are, of course, held well below the level at which decent housing can be obtained from private enterprise. S. 1070 requires that this gap be at least 20 percent, and in practice I am informed it is generally much larger. The lowest rent in the scale is set at a level low enough to be within the means of the lowest-income families living in the slums, including, of course, in their income the amount which they receive from relief and welfare agencies.

For each of these rents there is a maximum income limit set pursuant to statute, which cannot be more than five times the rent. The maximum income for the top rent is, of course, the maximum income at which any family can be taken into the project. For the lowest rent, there is also a corresponding maximum income, but there is no minimum income in connection with this rent. It should be made very clear to the Senate that the local housing authorities are not authorized to set any minimum incomes for admission to their projects.

The local authorities also determine how many of the dwelling units ought to be made available at the various rents and corresponding incomes in order to fairly serve all of the families whose need for housing is most urgent. This is important, because the urgency of housing need does not bear any direct and necessary relation to the income. This is recognized in S. 1070, since it provides for a preference, not on the basis of income but, rather, on the basis of urgency of housing need.

The language in question is not trick language. It is very necessary and proper language. It requires that in initially selecting families for admission to dwellings of given size and at specified rents, the public-housing agency shall give preference to families with the most urgent needs. The phrase "of a given size" is necessary in order to assure that families are assigned to units



of the proper size. If, for example, a unit large enough to accommodate a family of six persons was available, and if there were two applicant families, one with six persons and one with three persons, both of whom were of low income and both of whom needed rehousing, it would be manifestly wrong to give this large apartment to the small family even though the urgency of the small family's housing need was somewhat greater than that of the large family. In other words, preference on the basis of urgency of need should be related to the size of the unit applied for.

The same is true in relation to the preference for units at a specified rent. This limitation is necessary in order to assure that the families with the very lowest incomes get a fair chance at the dwellings in a public-housing project when it is first tenanted. Experience has shown that as among the families in the low-income group who are in urgent need of housing, the families with the higher rather than the lower incomes tend to apply first. These families are more active and are better informed, while the families of lowest income often do not as quickly appreciate that public housing is actually being made available to them. Time after time, housing authorities have been told by the most underprivileged families that they had not applied earlier because they could not believe "this project was really being built for the likes of us." Local authorities have many times had to enlist the help of welfare agencies and religious organizations in making clear to the families whose housing need is most urgent and whose incomes are lowest, that these projects are actually for them. It is therefore clear that the requirement of S. 1070 that the preference in respect to housing need should be at specified rents is a necessary and proper one in order to make sure that a fair proportion of lowest-income families are properly served.

Apparently there was also some concern whether or not public housing actually does have rents low enough to serve families of very low income and whether enough of the units will be made available at the lowest rent levels.

Doubts on this score would seem to be based on a misapprehension of the actual facts. Such doubts seem to assume that the lowest average rent which can be attained by public housing projects after application of maximum Federal and local contributions is about \$32. For example, it was said that if one unit is rented at \$22 there must be a corresponding unit rented at \$42 in order to break even. The theory is correct, but the figures are wrong. It is true, of course, that the housing authorities provide a range of rents in their projects and that the average of these rents must suffice to pay project costs after Federal and local contributions have been received. As a matter of fact, however, the average rents which local authorities could achieve with their present projects is not \$32 but \$20.16 a month. This figure is based on the policies proposed in S. 1070 as to the payments in lieu of taxes, and it includes not only shelter, but also the cost of supplying the tenants with heat and other utilities.

Given the actual lowest average rent of \$20.16 rather than the erroneous figure of \$32, it is obvious that authorities could provide one dwelling at about \$10 a month, one at \$15, one at \$20, one at \$25, and one at \$30, and still make both ends meet. These are about the rents which a local authority could achieve under S. 1070 if they are needed to house those families who have the most urgent housing needs.

The lowest rents which are set by the local authorities are based on the actual needs in their localities. There is attached a table showing these lowest rents. This table shows

that 19 percent of the projects have rents available at \$10 or less. Forty-nine percent of them have rents available at \$12 or less, while 71 percent have rents available at \$14 or less. The average minimum rent for all the projects amounts to only \$12.12 per month.

It would also be helpful to know what rents are actually needed to house families coming from the slums today. As heretofore indicated, tenants are selected on the basis of need and without the establishment of any minimum income whatsoever. Indeed, special emphasis has been placed by local authorities on trying to get families with very low incomes. In the first half of 1948 the rents which were necessary for these newly admitted families were as follows:

	Percent
Under \$16-----	7
\$16-\$20-----	10
\$20-\$24-----	18
\$24-\$28-----	24
\$28-\$32-----	19
Above \$32-----	22

The average rent, including heat and all other utilities charged the families who are admitted, was \$26.56 per month. This is a realistic measure of the rents which are actually needed in public housing to accommodate families who will come from the slums. The families admitted were admitted primarily on the basis of their housing need and none were turned away because their incomes were too low.

As indicated above, the present projects could, if necessary, achieve an average rent of \$20.16. This is \$6.40 below the average for the families admitted last year. This potential power to reduce rents through increased Federal contributions (within the limits now provided in S. 1070) is always available if it is needed in hard times. This possible reduction in rents below the level of present intake would correspond to a reduction in average income of the families taken in of almost exactly \$480—a very sizable reduction.

It is thus apparent that the phrase "at specified rents" would not operate to debar a deserving family with urgent housing needs from admission to low-rent housing except, perhaps, in the most exceptional circumstances. The language, however, is essential to assure that families with the lowest income get a fair chance when projects are first tenanted. Moreover, this phrase which the committee has included in S. 1070 serves a further valuable purpose in preventing any possible exploitation of the Federal contributions by any locality. If it were eliminated, no minimum rent could be set and there would be no limit to how low rents would have to go on a given project in order to serve families with little or no incomes. If the level of relief in any locality was far below the level required for minimum subsistence, excessively low rents would be necessary in public housing. This bill is not an appropriate device for dealing with the problem of making Federal aid available to supplement State and local welfare systems. Other legislation deals specifically with that problem.

If the language should be eliminated, the specific annual contributions now authorized by S. 1070 might not be sufficient in a city where excessively low rents were required and the solvency of its projects might be undermined. For this reason, in addition to the specific authorization of annual contributions in definite amounts, there would have to be included provision for additional authorizations of annual contributions without limitation as to amount. No one could estimate what would be required. We might never have such a situation. But if we did, the funds would have to be available to meet

it. An open-ended authorization would therefore appear to be necessary.

To authorize annual contributions without any limitation whatsoever would be a most unbusinesslike procedure. Public housing should be run on a business-like basis, and the Congress should fix a definite limit to the commitments which it is authorizing.

It is believed that the contributions now authorized are sufficient to meet the needs of families now living in the slums, and will permit these families to be admitted to public housing with preference to the families most urgently in need of rehousing. If future experience should prove that larger contributions are necessary in order to meet the most urgent needs, the facts can be presented to Congress for such further action as appears suitable.

*Minimum rents available in low-rent projects for average-sized families—Public Law 412 and PWA projects, contract rents, 1948*

	Percent distribution of projects
Minimum contract rent per month:	
Under \$10-----	18.8
\$10-\$11.99-----	30.2
\$12-\$13.99-----	22.0
\$14-\$15.99-----	11.0
\$16-\$17.99-----	7.5
\$18-\$19.99-----	7.8
Over \$20-----	8.5

Total-----	100.0
Median minimum rent-----	12.12

Mr. McCARTHY. Madam President, I should like to call the attention of the Senator from Alabama to one fact. He tells me he has a memorandum from the HHFA which indicates that the language we are discussing, instead of excluding the poor tenants, would be more likely to exclude the wealthy tenants. Is that correct?

Mr. SPARKMAN. What is the question?

Mr. McCARTHY. The Senator's statement is that he has a memorandum from the HHFA to the effect that the language to which I have called attention would more likely exclude the wealthy tenant than the poor tenant.

Mr. SPARKMAN. I do not know that I should put it in that way. I said it would be just the reverse of what the Senator said. Let me read a paragraph.

Mr. McCARTHY. Let me call one matter to the Senator's attention, before he does that.

I have drafted an amendment striking out the words "at specified rents." I have been informed by the housing agency that if the Senate adopts that amendment, it may mean cutting the poorer families from the public housing projects; in other words, those lower down in the income scale, and that it will then be necessary to add a further amendment providing that if necessary a subsidy may be required to take care of additional costs, which of course completely negatives what the Senator tells me, that it would have the opposite effect. If the Senator from Alabama is correct, if this language means the agency would be getting wealthier tenants, then certainly the housing agency could not tell me that it would cost more money to operate public housing.

In view of the fact that we are spending, roughly, from 10 to 20 billion dollars, since there is a purpose we desire to



accomplish, even if it will cost a little more, we should spend the extra money, and do what the people across the Nation think we are trying to do.

Mr. SPARKMAN. Madam President, I want it understood that I did not say that it would mean we would get wealthier tenants in the projects. What I did say was that so far as the individual case the Senator from Wisconsin used as an illustration was concerned, the thing which would tend to keep a person out would be that his income was greater than would entitle him to get a unit at the rental which had been specified.

Let me read a very brief sentence or two relating to the very question the Senator from Wisconsin asked last Thursday. This is from the memorandum submitted by the HHFA:

In conclusion, I want again to reaffirm that the language of S. 1070 in this respect is appropriate language which is necessary to achieve the very purposes which the Committee and which Senator McCARTHY have in view.

In other words, the very thing the Senator from Wisconsin wants done will be done under this language.

While I am on my feet I should like to say also that the Senator from Wisconsin contends that if the language which he suggests is stricken from the bill, we would have to provide additional contributions. The bill as it came to us originally, as the Senator from Washington will recall, provided for annual contributions of \$445,000,000. The committee worked out a bill which made it possible to cut that down to \$308,000,000 a year. We feel that we have done a good job in cutting it down to \$308,000,000 a year. I wish to say, in all frankness, that I certainly do not want to be a party to any amendatory language which will give an open end to contributions, or even will increase the ceilings of the contributions we have provided in the bill. I think we have done a good job in working out this bill as we have and in holding down the annual contributions to \$308,000,000. I do not care to agree to any language, and I do not want to see the Senate agree to any language which will necessitate increasing the amount of the annual contributions. I want to make myself very clear on that point. If the Senator is correct in saying that it would increase the amount, by all means I think that should be a strong argument against accepting the Senator's amendment.

Mr. McCARTHY. Madam President, will the Senator from Washington yield for a question?

Mr. CAIN. I yield.

Mr. McCARTHY. Does the Senator from Alabama feel that by adopting the amendment I have suggested, the poorer people will get the housing, and in the end it will cost more money, requiring a greater subsidy?

Mr. SPARKMAN. I do not know what the Senator's amendment would accomplish. I know that the Senator from Wisconsin said it would do what he has stated.

Mr. McCARTHY. No; the Senator is mistaken.

Mr. SPARKMAN. The Senator said last Thursday that if that language were

adopted, it would be necessary to increase the contributions. I wish to make it clear that I am not in favor of increasing the contributions. I want to make it clear also that I believe as strongly as is possible that the language contained in the bill at the present time takes care adequately of the people in the various communities who are most urgently in need of housing. Therefore I wish to stand on the bill as it is written.

Mr. McCARTHY and Mr. ROBERTSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield; and if so, to whom?

Mr. CAIN. If the Senator from Virginia will permit, I shall yield first to the Senator from Wisconsin to ask a question.

Mr. McCARTHY. I want the record absolutely clear as to what the committee intended to do, and I wish to ask the Senator a further question.

Let us assume there is constructed in the city of Pittsburgh a public-housing project of 500 dwelling units. Let us assume that there are 5,000 applications from tenants who come within the income ceiling; that each of the 5,000 wants one of the 500 units. Let us assume that the Administrator picks out 500 who are in the greatest housing need, applicants having sizable families, living in slum conditions. Let us assume that the Administrator finds that they cannot afford to pay any more than \$22.50 a month. In the meantime, of course, the Administrator has set a scale of rent for the apartments. Let us assume that the scale he has set ranges all the way from \$22.50 to \$40 a month. Am I correct in assuming that under that set of circumstances the Administrator of that housing project, no matter how sincerely he wanted to accommodate the individuals who needed the apartments most, could not possibly take care of any of them because they could not pay the minimum rent of \$25 a month, which he had set, and could only afford to pay \$22.50 a month rent? Am I correct in that assumption?

Mr. SPARKMAN. I do not think the Senator from Wisconsin is correct in that assumption. The Senator is using the measure of the amount of rent the person is able to pay or determining whether or not he receives an apartment or receives a place in which to live.

Mr. McCARTHY. It should be, but under the bill it is not.

Mr. SPARKMAN. Under our bill it is. What the local housing authority does is this: It finds the amount of income the family has, and then determines how much rent the family can pay. That is the rent charged to the family regardless of what the rental may be for the unit the family moves into.

Mr. McCARTHY. I am very happy the Senator from Alabama has made that statement. As I understand, when there is a provision so ambiguous as this appears to be, and there are a number of attorneys, all of whom differ as to how it should be construed, the administrative body will be bound by the statements which the sponsor of the bill makes upon the floor. So there can be no doubt upon

it, so we will know what will bind the Public Housing Authority, is it the Senator's position that under the bill, as written, the administrator of any public-housing project in any part of the United States will have the absolute authority and the duty to give priority of tenancy to the family with the greatest housing need, regardless of whether the family is financially able to pay the schedule of rents which has been established for the particular housing project? If the Senator answers the question in the affirmative, then I am not disturbed about the bill, because that will bind the Public Housing Administration.

Mr. SPARKMAN. Well, I answer in the affirmative.

Mr. McCARTHY. I thank the Senator.

Mr. SPARKMAN. Now, I should like to say—

Mr. McCARTHY. Do not qualify; please do not.

Mr. SPARKMAN. I am not going to qualify. But I want to say that the measuring stick is not the income the family has. It is the urgency of the housing need. In measuring that need income is only one element.

Let me verify that with the statement from the Housing and Home Finance Agency. I can do it in just a few words:

For each of these rents, there is a maximum income limit set pursuant to statute which cannot be more than five times the rent. The maximum income for the top rent is, of course, the maximum income at which any family can be taken into the project. For the lowest rent, there is also a corresponding maximum income, but—

I want the Senator from Wisconsin to get this statement—

but there is no minimum income in connection with this rent. I want to make it very clear to the Senate that the local housing authorities are not authorized to set any minimum incomes for admission to their projects.

Mr. McCARTHY. I thank the Senator.

Mr. ROBERTSON. Mr. President, will the Senator from Washington yield so I may ask a question of the Senator from Alabama?

Mr. CAIN. Mr. President, I ask unanimous consent that I may yield to the Senator from Virginia so he may address a question or several questions to the Senator from Alabama.

The PRESIDING OFFICER (Mr. SCHOEPEL in the chair). Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, the Senator from Alabama has just said that the urgency of the housing need will be the test, and that income is only one element. If, however, there is adequate housing available, but above the ability of 20 percent of the families to pay, would not income then be the major test?

Mr. SPARKMAN. Does the Senator mean 20 percent above what the family is able to pay?

Mr. ROBERTSON. No; I did not say that. I said above the ability of 20 percent of the families of the Nation to pay.



Mr. SPARKMAN. If there is housing available and the rent is less than 20 percent of his annual income, then he is not eligible to come into that public housing at all.

Mr. ROBERTSON. Let us start at a given income. Let us take \$1,600 as the family income. As a general proposition, would a family of that income be eligible?

Mr. SPARKMAN. Be eligible for a public housing project?

Mr. ROBERTSON. Yes.

Mr. SPARKMAN. Let us see. One-fifth of that income would be \$320, which would be a little more than \$25 a month. If there were private housing available at \$27.50 a month, then that person would not be eligible to admission to the public housing project. Otherwise he would be eligible.

Mr. ROBERTSON. I assume the distinguished Senator from Alabama realizes that 20 percent of the families of the Nation have an income of \$1,600 a year or less.

Mr. SPARKMAN. I think that is correct.

Mr. ROBERTSON. And that there are more than 7,000,000 families with incomes in those low brackets?

Mr. SPARKMAN. That is probably true.

Mr. ROBERTSON. The Senator said that the bill was so framed that it would take care of all sections of the Nation. Is there anything in the bill which limits the number of units that can be built in any one State?

Mr. SPARKMAN. Yes.

Mr. ROBERTSON. What is the limit?

Mr. SPARKMAN. Not more than 10 percent in any one State.

Mr. ROBERTSON. That was a committee amendment, was it not?

Mr. SPARKMAN. No; that was in the bill. The Senator from Virginia offered an amendment in the committee relating to slum clearance which brought it in line with the public housing.

Mr. ROBERTSON. The Senator said the bill was framed so that we could never be called upon to contribute more than \$308,000,000 a year?

Mr. SPARKMAN. Yes.

Mr. ROBERTSON. Does not the Administrator of this program have the power, without coming to Congress, to approve a project that would commit us for 40 years?

Mr. SPARKMAN. That is correct.

Mr. ROBERTSON. What is the limitation in the bill that would prevent him from committing us in 1 year to more than \$308,000,000?

Mr. SPARKMAN. The \$308,000,000 is the maximum that can be committed. He has no authority to commit for more than that.

Mr. ROBERTSON. Let us assume then that he commits us each year to \$308,000,000. When he does so he commits us for 40 years at that rate, does he not?

Mr. SPARKMAN. That is correct, or until the city has amortized the indebtedness.

Mr. ROBERTSON. Then if he commits us at that rate for the 810,000 units, he would commit us for the approximate sum, in 40 years, of \$15,000,000,000?

Mr. SPARKMAN. No; it is a little less than that; about \$13,000,000,000.

Mr. ROBERTSON. There appears to be some difference of opinion as to the over-all amount. I have seen estimates in excess of \$16,000,000,000. I am constrained to believe that \$15,000,000,000 is a pretty fair and accurate estimate of the over-all cost.

Mr. SPARKMAN. If my arithmetic is correct, 40 times \$308,000,000 is \$12,320,000,000.

Mr. ROBERTSON. Does that include all the provisions of the bill, those with respect to slum clearance, as well as others?

Mr. SPARKMAN. No; that is housing.

Mr. ROBERTSON. That is what I had in mind. When we include the other provisions of the bill, it is fair to say that this is a \$15,000,000,000 project.

Mr. SPARKMAN. Yes; I think if we include all loans and grants, it will run between \$15,000,000,000 and \$16,000,000,000. By the way, the figures are set forth on page 29 of the committee report.

Mr. ROBERTSON. If we commit ourselves to a \$15,000,000,000 project which takes care of only 810,000 families with an income of \$1,600 or less, what provision would the Senator recommend for the remainder of more than 6,000,000 similarly situated families? Would the Senator end the program when we shall have taken care of only 810,000 of them, or would he give fair and equal treatment to all the 7,000,000-plus in that same unfortunate income situation?

Mr. SPARKMAN. I should like to correct one statement which the Senator made, and that is that we are spending \$15,000,000,000 on 810,000 families. When the Senator makes that statement, he gets back to public housing. The \$15,000,000,000 includes everything—slum clearance, public housing, and research and development, which is for the aid of private housing more than public housing. It includes also farm housing, and everything else in the bill.

I realize the problem we are up against in providing only 810,000 units when there are probably 6,000,000 families who need help. Any one of these problems which we attack presents exactly the same difficulty. Yesterday afternoon on the floor of the Senate there was quite a discussion about the total inadequacy of the farm section of the bill. I know that it is inadequate. It is terribly inadequate.

The able Senator from Virginia was a Member of the House, as I was, when the farm tenant purchase bill was enacted back in 1937. I am sure the Senator from Virginia voted for that bill. The argument was made then as to the inadequacy of the program. Last year we had under consideration a program with reference to a certain power project—it may have been the St. Lawrence seaway. The argument was made that many rivers in this country needed improvement, and therefore we should not spend money improving the St. Lawrence. In connection with almost every problem of any nature we are met with the same difficulty—the inadequacy of what we are able to do. We are unable to do a complete job. I will tell the Senator what I would do—

Mr. ROBERTSON. The Senator agrees that this start is inadequate. He agrees that the start will cost \$15,000,000,000. He agrees that 20 percent of the families have incomes of less than \$1,600, and that if we do a fair and just job for the more than seven million families similarly situated with respect to income and a desire for good housing but the inability to obtain it, the cost will be more than \$200,000,000,000. Is not this the time to consider what we are starting?

Mr. SPARKMAN. Certainly I think it is the time to consider what we are starting. I do not agree with the premise that we would have to do this kind of job for every one of those families. I hope that somewhere along the line the construction of housing can become systematized to such an extent that costs can be reduced and private industry can do the job.

I believe that one of the things most to be regretted and the able Senator from Wisconsin [Mr. McCARTHY] did much to bring out this point in the Joint Committee on Housing 2 years ago—is that the vast industry of housing in the United States has never been modernized. It is the only great industry which still produces in single units. It does not use assembly-line techniques. For the first time we are writing into law a provision for research and development. We hope that we can develop housing and home-building techniques which will bring the cost down to the point where private industry can do what we all want it to do, that is, build houses at such cost that the people can afford to rent decent places in which to live.

Mr. ROBERTSON. I fully agree with what the Senator from Alabama says in that connection. I am satisfied that plans for prefabricated houses can be perfected by which satisfactory houses can be provided at substantially less cost than is now the case. But I have been informed—and I believe reliably so—that the average rent paid last year was \$31 a month. If we divide 810,000 units into the subsidy provided by the bill, the result is \$32 a month, if all the units are built. It seems to me that that is a rather expensive approach to getting people to do something for themselves, if we are to pay a dollar a month more in subsidy than the average rent now being privately paid by the man who has to pay it out of his own pocket.

Mr. SPARKMAN. As a matter of fact, we do not anticipate that the full \$308,000,000 will be used. Again, that is the maximum. Experience so far has shown that only 58.6 percent of the authorized subsidy has actually been used. We hope that the maximum will amount to \$200,000,000, rather than \$308,000,000.

Mr. McCARTHY. Mr. President, will the Senator from Washington yield to me so that I may ask the Senator from Alabama a question? If I can first obtain unanimous consent that I may do so without jeopardizing the right of the Senator from Washington to the floor, I should like to ask the Senator from Alabama a question.

Mr. CAIN. Mr. President, I ask unanimous consent that I may yield under those conditions.



The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. I assume that the Senator from Alabama has before him a copy of the bill. If he will turn to page 47, he will note that it deals with a very important subject, namely, the inauguration of a plan for research. As the Senator knows, last year in the Housing and Home Finance Administration, we established a division whose job it was to attempt to standardize building codes throughout the country and to work toward the standardization of building materials, as well as to conduct any research incident to that task. I note that a great many additional duties have been placed upon this particular division. It has a tremendous job. Nothing is said in regard to the salary of the individual who is to head this great research agency. I wonder if we are not making the mistake, which we often make, of prescribing an important task and then not paying a salary sufficiently high to attract a competent individual who would make that job practically his life work. I wonder if the Senator from Alabama would be averse to an amendment to title III, the housing research section, providing the same salary scale for this agency as is provided at the present time for the FHA or the PHA. I am firmly convinced that it will not be possible to obtain the services of a man competent to do the job at the \$10,000-a-year limitation under the terms of the bill.

Mr. SPARKMAN. Mr. President, it was our feeling that the research division should be established under the office of the Housing and Home Finance Administrator, and that so far as the personnel necessary to do the job are concerned, they would be taken care of under the Classification Act. Under the Classification Act, where certain duties are laid down and where there is a description of those duties, it would be relatively simple to get the type of personnel needed for doing the job.

So far as any pay increase is concerned, it seems to me it should be handled in a pay bill relating to the entire government, rather than as a separate and distinct matter in connection with creating this job.

Mr. McCARTHY. Mr. President, will the Senator yield at this point?

Mr. CAIN. Let me suggest to the Senator from Wisconsin that word has come to me that perhaps all of us, because of the fact that an amendment is pending, are yielding a little too freely, and that such action may result in jeopardizing my position on the floor. Therefore, I wonder whether the junior Senator from Wisconsin would permit me to conclude my remaining brief remarks on the pending amendment, to be followed by further questions from him to the Senator from Alabama.

Mr. McCARTHY. Then, Mr. President, will the Senator from Washington yield for a question addressed to him?

Mr. CAIN. I am pleased to yield for that purpose.

Mr. McCARTHY. I note that the bill has three sections dealing with farm housing. One section deals with loans to farmers living on farms which are

adequate to support the buildings on them and to support the farmers. That is one class. I think the provisions of the amendment as to it are rather good.

In the second place, there is a section dealing with aid to a farmer whose farm presently is not sufficient to support him and his family and to support decent buildings on the farm—

Mr. CAIN. But the assumption is that it will become adequate.

Mr. McCARTHY. Yes; it is assumed that as to that group, the Secretary of Agriculture will find that ultimately they will become self-sustaining. That section is not a bad one, either.

Then there is a third section and I should like to ask the Senator about it. It deals with grants and loans—but principally grants—to farmers living on farms which the Secretary of Agriculture has previously found will never be able to support them.

In other words, in such cases the Secretary of Agriculture would say, "Here is a farm which can never support this farmer."

Certain grants are proposed for such farmers; and among those grants, as the Senator from Washington knows, is one calling for a \$500 grant for the building of a toilet. I do not believe there is urgent need on such farms for expenditures in that amount for that purpose. I lived on a farm for a number of years, and that was not the principal need, as I recall.

In short, Mr. President, I think that section is completely ridiculous. It provides that the Secretary of Agriculture may appoint, in each county, three men, who will work in a per-diem basis, plus expenses. With 3,000 counties or parishes in the United States, that could mean 9,000 members of such committees. Of course, that number doubtless will be reduced somewhat, because the Secretary of Agriculture will be able to use existing farm agencies or committees. In any event, those men will be used to aid farmers living on farms which the Secretary of Agriculture thinks never will be able to support them. Does not the Senator from Washington think it would be much better to take the \$12,000,000 to be authorized under this section of the bill and use that money to move farmers off submarginal farms, to places where they can make a living? What is the Senator's thought as to that?

Mr. CAIN. In answer, let me say that I happen to be among the Senators who feel that that section of title IV is unwise and certainly should not be incorporated into law at this time, for as I understand that section of the proposed law, it would attempt to extend grants or loans to operations which have been considered or are considered to be certain to continue as inadequate, submarginal operations. To my mind that is not good public policy.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. CAIN. I yield for a question.

Mr. AIKEN. I wish to ask a question in regard to the suggestion of the Senator from Wisconsin that, instead of rehabilitating such farmers on the farms where they are located, they be moved

to other places. In such event, would not it be necessary to have the committees which have been referred to, in order to have some group which would be able to say which farmers would qualify for moving to other farms?

Mr. McCARTHY. Mr. President, if I may reply, let me say I think that is correct. It seems to me that under this provision of the farm section, after the Department of Agriculture has finished paying the approximately 7,000 or 8,000 committeemen their per diem fees and their expenses, there will be precious little money left to pay farmers to build toilets.

I hope the Senator does not mind my referring to this section as the toilet section, because to my mind that is about all it amounts to—in short, a grant of \$500 to a farmer to permit him to build a toilet.

Mr. President, will the Senator from Washington yield, to permit me to ask a further question?

Mr. CAIN. I am delighted to know that the Senator from Wisconsin has just finished asking me a question. [Laughter.]

I am pleased to yield now, to permit him to ask any question he has in mind.

Mr. McCARTHY. In regard to the section with reference to housing research, I can inform the Senator from Washington that there is no present classification pay bill or other pay bill which, without amendment, will provide for a salary to the research director under this bill higher than the usual \$10,000 or \$10,300, the maximum under the present limit. However, in view of the fact that the director will have the job of bringing up to date an industry which spends, I believe, somewhere between \$10,000,000,000 and \$14,000,000,000 a year, will the Senator from Washington agree with me that we should amend that provision so as to provide that the work will be done by a division placed on the same pay scale as that of the PHA or similar agencies; in other words, a pay scale permitting a salary of \$15,000 a year for the head of the agency?

Mr. CAIN. Mr. President, I think the Senator from Wisconsin is speaking of a subject far broader than the one involved in the particular bill now before us. I take it he feels that a number of the pay scales in the executive branch of the Government should be increased in order to permit the employment of better-qualified personnel.

Mr. McCARTHY. But I call attention to the fact that there is no pay bill, as presently written, which will take care of this situation. If it is to be taken care of, I assume it should be taken care of in the legislation setting up the new agency. I wonder whether the Senator from Washington agrees to that.

Mr. CAIN. From my point of view, I would be inclined to wait until the overall executive branch salary problem can be considered in one piece of legislation. I think the matter should be handled as a whole, rather than piecemeal, for piecemeal procedures have frequently gotten us into sad difficulties in the past.

Mr. LANGER. Mr. President, will the Senator yield to me?



Mr. CAIN. Certainly.

Mr. LANGER. I wonder whether the Senator from Washington knows that the minority report on Senate bill 558, signed by the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Montana [Mr. ECTON], and myself, suggests an amendment covering the entire classification pay act which, in the form of the Langer-Johnson pay bill, was introduced in the Eightieth Congress; and I wonder whether the Senator realizes that it provides for increases up to approximately \$14,000 a year.

Mr. CAIN. I have known that some thought was being given to the over-all salary problem; and such a procedure would certainly suit my thinking better than would a piecemeal treatment.

Mr. LANGER. Let me point out to the Senator that the minority report has been filed and is available, if the Senator from Washington or the Senator from Wisconsin wish to examine it.

Mr. McCARTHY. I thank the Senator.

Mr. CAIN. Mr. President, I think we can conclude our consideration of the pending amendment and can obtain a vote upon it in a short time.

The first amendment, which has been offered by the Senator from Ohio and the junior Senator from Washington, is, in the opinion of its authors, a very small addition to the pending legislation. It is easily understood; it is democracy; it is simply American. It requires no lengthy justification and is subject to no just criticism.

In support of the amendment, Mr. President, I call as my first witnesses language found in the title of the bill, which I should like to read:

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

I wish all Senators would note carefully these particular words:

To assist \* \* \* projects \* \* \* initiated by local agencies.

I submit that the American citizen, the American taxpayer in every American locality is in fact and ought to be understood to be the local agency. Let me read now from the bill itself. On page 24, line 7, we find the "local public agency" defined as follows:

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

Note carefully the words "authorized to undertake the project." How better may any public body be authorized to make commitments for its community than, through the local ballot box, to conduct a referendum? I continue to read briefly from the bill, page 24, line 21:

In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise.

"Local determination" are the two key words at this point in the bill. Let us turn now to the report on the Housing Act which accompanies the bill (S. 1070). On page 2, from the section entitled "Philosophy of the Bill," I read:

The bill now being favorably reported by your committee is based upon the firm foundation that, although the housing problem is obviously national in scope, it is fundamentally a local problem, and that the first responsibility for its solution therefore rests with the local community. This bill leaves that primary responsibility with the local communities where it belongs. It recognizes that the need for any kind of housing action should be determined locally. It therefore provides that Federal assistance for the clearance of slums and blighted areas shall be available only for projects where there has been a local determination, by the governing body of the community, that the project is needed and where the plans for such project are locally made and locally approved. It therefore provides that Federal assistance for low-rent public housing shall be available only for projects where there has been a local determination, by the governing body of the community, that such housing is required in order to meet needs not being adequately met in that community by private enterprise, and where such projects are locally initiated, locally developed, and locally managed. It therefore provides that, in making Federal assistance available for farm housing, the Secretary of Agriculture shall have full authority to use local committees of farmers in order that there may be local determinations of the need for such assistance. This bill fully incorporates the basic philosophy that, if the people of a local community take no interest in that community's housing problems, it is not for the Federal Government to impose a program upon them.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. CAIN. I am very happy to yield.

Mr. MAYBANK. I was wondering whether the Senator has any idea as to how long he will speak.

Mr. CAIN. I should like to answer the question, and will do so as best I can, since all Senators are anxious to get on with the amendments. I have remaining four brief pages of explanation of the amendment, following which I should like to ask those who may oppose the amendment to rise and tell me and other Senators why they oppose it; in the hope that both sides of the question can then be within the knowledge of every Senator, and we can promptly vote the amendment up or down.

Mr. MAYBANK. I realize it is a difficult question to ask the Senator, but does the Senator think we shall be able to do that tonight? I refer only to the amendment?

Mr. CAIN. I shall conclude my presentation on the amendment within 6 or 7 minutes.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. CAIN. I am glad to yield.

Mr. LANGER. It will be impossible to finish, because I intend to talk for at least an hour.

Mr. MAYBANK. If the Senator from Washington will yield further, I may say I was referring only to the amendment.

Mr. LANGER. That is what I mean.

Mr. MAYBANK. Does the Senator expect to speak on this amendment?

Mr. LANGER. I want to talk at least an hour, after the Senator from Washington concludes.

Mr. MAYBANK. On this amendment?

Mr. LANGER. On this amendment.

Mr. MAYBANK. I was asking only with reference to the amendment now under consideration. I thank the Senator.

Mr. CAIN. I appreciate the Senator's inquiry. We all want to get through as soon as possible.

Mr. President, I have been reading from the section entitled "Philosophy of the Bill," as outlined and written by some of its sponsors. In this language we find that the philosophy of the bill most bluntly places responsibility on the people of a local community. If the people themselves manifest no interest, the Government will not impose a program upon them. The junior Senator from Washington and his coauthor have thus justified the amendment. We propose by the very language of the bill itself, in accordance with the report, to do certain things.

Let us now examine briefly but critically the beneficial results to be obtained through adoption of the amendment, as it relates to the operation and administration of the tremendously large program which is contained within the bill before us. Without a referendum one can readily see that in many communities where citizens discern a real need of assistance as offered in the bill, a local public body, either through inertia or as result of prejudice, or by reason of its individual personnel, may take no positive action and may make no recommendation to its local housing authority.

At this point, I desire to call especially to the attention of my very good friend the Senator from Alabama, the statement I have just made. I shall restate it. The amendment which has been offered by the two Senators, one from Washington and one from Ohio, proposes that a referendum be had before a community replies either that it wants to accept housing grants and assistance as offered, or that it does not. I have stated that without a referendum this is one of the several things that will probably happen at some time, to the impairment of what the Congress wishes to have done in America: Without a referendum it will happen in many communities that its citizens, men and women not in public office, and not constituting any public body, will discern and know there is a real need of the assistance offered in the bill, but the local public body may, either through inertia or as the result of prejudice, or by reason of the individual personnel, take no positive action and make no recommendation to the local housing authority. The junior Senator from Ohio [Mr. BRICKER] and I maintain very seriously that in certain instances it will happen that where a low-cost building or housing program ought to be undertaken in an American community, it will not be undertaken, because the local public body which under the law is required to make the decision will make no decision, possibly as the



result of prejudices arising out of the past in connection with actions which may have been taken.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. TYDINGS. I may say to the Senator I do not want to interrupt his thought, and unless he feels it is all right for me to do so, I shall not interrupt him at this time.

Mr. CAIN. I am happy to yield to the Senator from Maryland.

Mr. TYDINGS. I think the place where the bill needs strengthening more than any other is with respect to its failure to compel the local communities who are going to ask for money to take preventive steps against the creation of slums. We are treating a disease, rather than trying to stop the spread of the disease. On page 2 the third objective of the bill reads:

Appropriate local bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods.

I am not a member of the Committee on Banking and Currency, and I appreciate the reluctance of the committee members to dictate, perhaps, to the local government of either State, city, or county, but if we are to assume the responsibility of saying what kind of housing there shall be in Kankakee or in Baltimore, it seems to me we have a right to say to those bodies, "We will put up the money, but for the future you must adopt such a code affecting landlords and tenants as will prevent the recurrence of the conditions which we are trying to cure."

I am making this point because I realize the futility of trying to strengthen the bill at this stage of the proceeding by an amendment to accomplish the desired result, but I hope that if we ever have another one of these bills, in the meantime some uniform code of antislum legislation will have been evolved so that none of the money will, in the future, go to any except deserving communities which are endeavoring to help themselves before they come to the Federal Government and ask for assistance.

I apologize for making such a long statement.

Mr. CAIN. I most sincerely thank the Senator from Maryland for the contribution he has made, and I differ from him only in one particular. I am satisfied that the Senator from Alabama [Mr. SPARKMAN], the Senator from South Carolina [Mr. MAYBANK], and other members of the Banking and Currency Committee are willing to listen to a suggestion in the form of an amendment which would help to secure at least a part of the improvement which the Senator from Maryland has in mind.

Mr. TYDINGS. It is difficult to evolve what might be called a uniform code for the prevention of slums. It would have to encompass such things as floor space, room space, sanitation, lighting, and many other things. I think we are at a point at which a tenant will have to be punished if he permits, by his own acts, a property to deteriorate so rapidly

that it becomes a slum after he has rented it from the landlord. Likewise, we may have to punish landlords who will not properly maintain their property.

What we are doing is attempting to cure a disease after it has taken place; and in connection with this subject, what we need to do is to give more thought to preventing the creation of slums. I understand that in some of the Scandinavian countries tenants band together and themselves punish each other if they pull down the standard of the whole community. I do not know whether that would be feasible in America. I doubt it. I think the Committee on Banking and Currency might appoint a subcommittee which would attempt to evolve a uniform code for the prevention of slums, and, in any future bill, next year or the year after, make it a condition precedent that a community will have to have some antislum measures on its books before it shall be entitled to come to the Federal Government for assistance. In that way, if it be done thoroughly and without too much of the coercive element in it, we would get in the cities legislation and inspections which would deter the creation of slums, we would save many thousands of dollars for the Federal and local treasuries, and save many expenses of municipal governments, because slums are expensive to maintain.

Mr. CAIN. May I point out to the Senator from Maryland that, to my knowledge, probably most of our American cities have codes, regulations, statutes, and ordinances now on their books which, if they had been carefully enforced over the past several decades, would have prevented our being faced with the major portion of this problem?

Mr. TYDINGS. Assuming that is correct—and I think many cities do have such codes—I think in some respects they are defective. But even if they are not defective, and the fault lies with lack of enforcement, we should put such a provision into law. This is probably the third, fourth, or fifth time, maybe the eighth or ninth time, in the past 15 years that we have had this very problem before us. I think we have reached the time when we should serve notice on the municipalities that unless they maintain a certain standard of inspection and control for the prevention of slums, they cannot come to the Federal Government and secure money through various bills which we pass from time to time. It is their dereliction of duty which creates the slums. We seem to be devoting very little thought to that point. We are simply trying to palliate it and not cure the real cause.

Mr. CAIN. There are several members of the committee, and there may be other Senators, who are concerned over the problem which has just been so ably defined by the Senator from Maryland. We have thought that when we begin a larger program than we have ever before thought possible, if we do not insist that for every new house created a bad house shall be either improved or torn down, we shall, over a period of time, make no dent in the slums at all.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. TYDINGS. Yesterday there was a very interesting discussion on the floor of the Senate. Pictures were shown, and, indeed, in all our local newspapers there were pictures of a number of Senators visiting slums in the neighborhood of the Capitol. I should like to determine whether, in the city of Washington, there are laws on the books to prevent the creation of slums, which are not being enforced, or whether there is a lack of legislation to prevent the creation of slums in the District of Columbia. Could some member of the committee give me that information?

Mr. CAIN. I happen to be a member of the committee, but I cannot give the Senator the information. I think it can be procured, and I shall be delighted to procure it for the Senator.

Mr. TYDINGS. The point I am making is that we are about to appropriate money to cure the condition, theoretically, and yet no one is offering any legislation, or, insofar as I know, intends to offer any, which will prevent the creation of slums next year or 3 or 4 years from today.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. SPARKMAN. Let me say, first, with reference to District of Columbia laws, that there are laws and sanitary regulations against the maintenance of rental quarters which constitute a hazard to health and safety. As a matter of fact, as the Senator may recall, in connection with some of the slums visited yesterday, it was stated that condemnation signs were found posted.

Mr. TYDINGS. That was due to the fact that they are getting ready to build there, was it not?

Mr. SPARKMAN. The Senator is referring to those which have been condemned in court.

Mr. TYDINGS. I thought that was what the Senator meant.

Mr. SPARKMAN. No; I meant, from a sanitary standpoint. One of the buildings had been condemned for 20 years. The real difficulty is that we are so far behind with places for people to live that we can scarcely do away with any habitable place, decent or indecent. That is the tragic circumstance which prevails today. If we ever catch up, by all means we should have some such provisions as that which the Senator from Maryland has suggested. I would not go along to the extent of making it coercive.

Let me call the Senator's attention to the fact that in this bill we encourage prevention of slums as much as we can. For the first time we are starting out with a slum-clearance program.

Mr. TYDINGS. For the first time?

Mr. SPARKMAN. The first time for a separate slum-clearance program. I was just about to say that the Senator probably recalls when the National Housing Act was passed, some 12 or 15 years ago, we provided for public housing to be used for the elimination of slums, but it was a program with two



parts tied together, the elimination of slums and the building of housing. During the war Congress enacted a statute, or part of a statute, in the Lanham Act providing against the erection of public housing units as slum-clearance projects. There were two reasons: First, the old program had not proved successful; and in the second place, we needed the existing places; we could not spare them. That condition prevails today. But in the pending bill we provide a separate slum-clearance program, and I think it is a very liberal program for a starter.

I call the attention of the Senator to some of the provisions set forth on pages 11 and 12 of the bill. I think we do everything we can to make certain that in the redevelopment of these areas the very things the Senator has mentioned are complied with.

Mr. TYDINGS. Will the Senator allow me to interrupt him there?

Mr. SPARKMAN. I do not have the floor.

Mr. TYDINGS. Will the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. TYDINGS. I do not think the Senator from Alabama has completely gotten my point.

Mr. SPARKMAN. Oh, yes; I have, but I have not completed my own statement.

Mr. TYDINGS. If the Senator from Alabama will allow me to interrupt him—

Mr. SPARKMAN. Certainly.

Mr. TYDINGS. I agree that when a place is already in bad repute, in the category the Senator has described, that is one thing, but I wish to approach the problem before it gets in that condition.

Mr. SPARKMAN. I realize that.

Mr. TYDINGS. I want to tell the Senator an experience I had. I happen to own one or two small houses. I am sorry to say that I rented one to a certain Army officer. I rented one to six or seven Army officers, who stayed very short periods of time during the war, and most of them were fine tenants, and I tried to have a very nice property for them to occupy.

I had one particular tenant, and before he and his wife took over the property I had the rooms and the stairways and the whole place painted so that it was spotless when they went into it. They went out in 5 months, and I had to take over a year's revenue to put the place back into condition again, and I had no redress at all.

It is not always the landlord who is at fault, and it is not always the tenant who is at fault. But unless we put a responsibility somewhere, unless we have a court where such a situation can be dealt with in the large municipalities, slums will increase at a faster rate than they would if we put restrictions on the use of property, or on the neglect of property on the part of the landlord.

I do not think it is possible to tear down the houses which now exist until we get enough new houses to accommodate the present tenants. I agree with the Senator in his comment about the illustration he has given concerning the house which had been condemned for

20 years, but I think that we are not getting completely at the problem merely by looking at it from a sanitary point of view.

Tenant and landlord courts, in my opinion, should be set up, so that a landlord could come in and complain about the abuse of the property by his tenant, and either force the tenant to evacuate unless he would take better care of the property, or compensate the landlord or make such provision that the landlord could get judgment against the tenant. I think the tenant should be able to make the landlord put in certain sanitary improvements so as to make a house livable. I do not see that that is going to be done under this bill. If we are to raise the standard of living conditions in the poorer sections of our cities, we need more than new houses, we need to create a state of mind on the part of the tenant and on the part of the landlord which will give them a fuller and a deeper comprehension and appreciation of real property. Until the municipalities deal with the subject in that fashion, we are not going to get our money's worth for the money we are appropriating.

Mr. SPARKMAN. If the Senator from Washington will yield to me very briefly, I should like to remind the Senator from Maryland of another fact.

The PRESIDING OFFICER. Does the Senator from Washington yield?

Mr. CAIN. I am most pleased to yield.

Mr. SPARKMAN. In providing also for the first time for housing research, we hope that much of the program the Senator has so well outlined will be worked out.

Mr. TYDINGS. That is fine. Where is that in the bill?

Mr. SPARKMAN. In title III, starting on page 47. It covers many of the things the Senator has been discussing.

With reference to the establishment of landlord and tenant courts, of course the Senator realizes that would have to be done by State legislation, and I think he would be the last one in the world to suggest that Congress require that to be done.

Mr. TYDINGS. Oh, of course, I agree to that.

Mr. SPARKMAN. Through the housing research and study title, on page 47, we should be able, if it works out as we hope it will, to have municipalities establish some kind of uniform code covering many of the things the Senator has mentioned. I think the bill which we are proposing is very definitely a long step forward in trying to get a decent housing program in this country.

Mr. TYDINGS. Will the Senator from Washington yield for one more observation? Then, whether I desire to talk more or not, I shall not impose on the Senator's time and good nature.

Mr. CAIN. I yield for any observation or question the Senator desires to make or propound.

Mr. TYDINGS. I wish to thank the Senator from Alabama and the Senator from Washington for what I believe is a point of view that is very wholesome in this debate. We are beginning to realize that cure of slums, after they come into existence, is not the answer. The preven-

tion of slums is the best, cheapest, and most wholesome approach to the problem.

My concluding thought is that if the Senator from Washington and the Senator from Alabama, both of whom are members of the Committee on Banking and Currency, will follow up this research provision, or, indeed, if they will see fit to appoint a subcommittee to try to evolve what might be called a uniform code of slum prevention, not to be put on the cities by coercion, but to be a sort of goal, a yardstick, which many of them, I hope, would adopt voluntarily, they will make a tremendous contribution to the living conditions in this country, and in my judgment over the years they will save the Treasury a considerable sum of money, because what we need now is leadership.

The committee is familiar with the conditions which exist in many cities. If during the recess it would evolve a code of slum prevention and suggest it to the cities, and, by a campaign of education rather than coercion, have them adopt it, either in whole or in part, in my judgment, 10 years from now they will have to their credit the saving of many millions of dollars, both by the municipalities and the Federal Government, which I am afraid otherwise will be wasted in trying to cure an evil which we might never have had to deal with at all if we had tried to prevent it.

I thank the Senator from Washington for his indulgence, and I hope that he and the Senator from Alabama may find some merit in my suggestion. If they do, and will work on it, I think they will have made a great contribution to the living conditions in this country for all the people.

Mr. SPARKMAN. If the Senator from Washington will yield one more time, I shall not impose further on him.

Mr. CAIN. I yield.

Mr. SPARKMAN. I wish to say there is much merit in the very fine suggestions which have been made by the able Senator from Maryland, and I should like to call his attention to one other provision in the bill. If he will look at page 4, under "Slum clearance," section 101, he will find this language:

In extending financial assistance under this title, the Administrator shall—

(a) Give consideration to the extent to which appropriate local public bodies have undertaken positive programs—

Now turn to subsection (2)—

for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations.

Mr. TYDINGS. Will the Senator yield?

Mr. SPARKMAN. Please understand, I do not suggest that ours is a complete program, but I do say that in various parts of the bill we are tying in the kind of program the Senator has suggested.

Mr. TYDINGS. I had read the provision before, and I was attempting to find it when I originally rose to interrogate the Senator from Washington. I would



not take out one statement contained in the paragraph the Senator from Alabama has read. He and I are looking at this matter in exactly the same way.

My point is—and I do not say this with any supercilious idea of criticism—he has a nice New Year's resolution here with which the Administrator will not have to bother very much. While the language is fine, I hope that when there is more time to put the provisions together the able Senator from Alabama and the able Senator from Washington together with their colleagues will find some way of translating the pious hope we find expressed in words there into a form of more vivid reality, if I may use that expression.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FERGUSON. I am very much interested in the viewpoint of the Senator from Maryland. I think he has made some valuable suggestions. I wish to add one to them. Congress has something to say about the great city of Washington, D. C. I wonder whether it is not possible for the committee to prepare a model housing and sanitation code applicable to the city of Washington. Because Washington is under our jurisdiction it is here that we could test such a code and determine whether it would or would not operate properly.

As I view the situation, the slums in Washington have been used on many occasions as an argument for building new public housing, but they have not been used in the same way as a compelling argument for striking at the very heart of the matter, which is clearing out the slums. It could have been done, and it can be done now. I think we can render no greater service to the Nation than to say, "We have demonstrated in Washington, a city over which we have jurisdiction, that this thing can be done."

The District Health Department today gave me the codes which have been adopted by the District government, under acts passed by Congress. Some of the penalties for violation of the codes run from \$5 to as high as \$45, for allowing unsanitary conditions to continue in the slum areas and in the public housing units in this city.

Mr. FERGUSON subsequently said: Mr. President, I should like to make an amplification for the RECORD. A reading of my remarks may give an entirely different impression from what I intended. I stated the penalty was from \$5 to \$45. That may indicate I meant it was a stiff penalty. I was trying to be sarcastic. I should like to have it so appear in the RECORD. I think this is the only way I can have the RECORD show the idea I intended to convey.

Several Senators yesterday looked at some slum areas. I wish to say to the people of America that Congress should provide, in connection with the use of the taxpayers' money to build new housing, for the destruction of the slums. The slums have been here for more than 20 years. I happen to have lived in a city in which judges are elected. Blame has at times been attached to the system of electing judges, and the assertion made

that under such a system the laws cannot be enforced. But in Washington the judges are appointed by the President and confirmed by the Senate. Yet we have slum conditions here. Therefore, I do not want to hear it said that it is only in places where judges are elected that laws cannot be enforced. I think the time has come when Congress must demonstrate that we can clear the slums from Washington.

Mr. President, I desire to help carry out what the Senator from Maryland has suggested, but to carry it out in such a way that we can demonstrate to the public that we are providing for more than simply the building of houses. New housing is a part of the problem. The question of education in sanitary matters also is involved. The question of law enforcement is involved. We must determine to make America a better place in which to live. But let us attack the whole problem. Let us use this city as the guinea pig, and demonstrate to the rest of the Nation that we can clear out the slums. Such a demonstration would not be a dictate to the rest of the country, but it would be, I am sure, one of the greatest services that we in Congress could render to the Nation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from Maryland.

Mr. TYDINGS. I want to associate myself with the remark made by the junior Senator from Ohio [Mr. BRICKER] earlier in the debate today. The creation of slums comes about partly from a state of mind that must be changed before the slums can be gotten rid of.

Mr. FERGUSON. That is true.

Mr. TYDINGS. Some discipline must be exercised in the care of property. Some discipline must be exercised in the use of property, just as discipline is exercised over those who throw papers on the streets, an offense punishable by a fine. If too many violations of the ordinance in respect to throwing papers on the streets take place, the police begin to take notice. We have to translate such discipline in a humane, democratic way, to the conditions which indirectly bring about the creation of slums.

I wish to associate myself with the thought expressed by the Senator from Michigan that we here are in a pretty frail position.

Mr. FERGUSON. We are very vulnerable.

Mr. TYDINGS. We stand on the floor of the Senate and exhibit pictures of slums existing all over the country, whereas Washington is directly under our control.

Mr. President, I believe it would be well if the Committee on Banking and Currency were to evolve a code such as the experience of its members, and the testimony brought before it, would satisfy, it would be a wise measure, and report it, and then let it go to the Committee on the District of Columbia for further consideration and hearings, after which the Congress could adopt it. If such a measure were enacted perhaps the example created in the National Capital would be beneficial to other sections.

If such legislation could be adopted in the States and municipalities, for the country as a whole, it would result in our people becoming healthier, in their living conditions being vastly improved, without the expenditure of a single Federal dollar, and we could get rid of a large part of the problem which really has no business here, if we tell the truth, because it is local in its essence and local in its genesis.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FERGUSON. The problem of the slums will not be solved merely by building new housing units. The slums must be destroyed. It is a problem which the people as a whole must solve.

Mr. TYDINGS. I thank the Senator.

Mr. CAIN. I suggest that in connection with the legislation we make an effort to do something at this time to shock the people of the country into recognizing that in return for receiving new low rent subsidized housing from the Federal Government they themselves must destroy or renovate substandard housing on the local level. An amendment is to be offered and discussed at some length which will provide in very simple language that for every one of subsidized but good substantial clean sanitary houses that are built the American community in which that housing is to be placed must take upon itself as an obligation either to bring substandard housing up to standard condition, or demolish it entirely. I will say to the Senator from Maryland that I am completely satisfied that if we approve such a requirement in connection with the pending bill people all over the country will become interested for the first time in decades in determining what they themselves may accomplish to do away with slums, and to make certain that they will not arise in the future.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. THYE. I should like to ask the Senator a question. Due to the shortage of homes existing throughout the land, are we ready at this particular time to impose such a restriction upon housing construction? The escalator provisions of the bill definitely provide that if a private builder, an individual, desires to build a home, if he does not utilize all available manpower and supplies going into the construction, the Federal Government will step up his building program. If a provision is placed in the bill compelling the destruction of a slum home at the same time a new home is built, it will result in there not being sufficient living quarters. It might be very well to make such provision after we have caught up with the present drastic shortage, a shortage caused first by a depression, when people could not afford to build, and second, caused by the long continuance of the war, during which building materials were not available, and when homes could not be built.

What is now endeavored to be done is to attempt to supplement the contractor's efforts to the maximum in order to provide some homes for people to live in.



So I simply caution the Senator that his amendment may be coming 2 years too soon. The amendment might well be submitted 2 years from now, when we have caught up with the great home needs that exist in the land. The amendment is a worthy one, but I believe it would impose a hardship upon those seeking a place to live.

Mr. CAIN. First, I thank the Senator from Minnesota for his observation. Second, I think I can explode completely the premises the Senator has used. Let us do it through an example: What are we in Congress trying to do? Before every hearing on the question of housing we have had, during the two and a half years I have been in the Senate, we have said, "We are going to get rid of the slums. We are going to provide accommodations for persons of low incomes to live in." Now that is what we are going to do in city X. That city says it wants 500 units of public housing. Who are going to live in those houses? Five hundred families presently living in slums. When the 500 new units are constructed, the 500 families living in slums today will move into the new housing. Unless it is contended that we are going to continue slums in perpetuity we had better make certain to destroy the bad housing from which the families move into the new housing. If we do not destroy the slums, then, when families living in them move into better housing, their places will be taken by other slum dwellers, and we will be faced with the same situation two decades from now.

Mr. THYE. There is a slum-clearance provision in the bill as it is written. The purpose of slum clearance is the eradication of an undesirable area which affects adjacent property. The question is simply this: Are we prepared to move in and eradicate every dwelling which is undesirable, or cause it to be improved by repairs because it happens to fall in the category of the undesirable? Are we going to be able to do that immediately upon the passage of the bill, before additional homes are constructed? I ask that question because of the great scarcity which exists in rental accommodations. That is the only reason for my caution. We may do an injustice by singling out a place within the city and saying, for example, that block X in city G must be removed immediately because it is an undesirable slum area, before we can proceed with another aspect of the program. That is the point which I wish to clear up.

Mr. CAIN. I apologize if I have not made my position clear. I think we are talking about the same thing. I believe that I can allay the Senator's concern.

There are two titles in the bill to be taken into consideration in this connection. One is title II, which is concerned with the construction of subsidized low-rent housing accommodations. Title I is concerned with slum clearance and community redevelopment. Some communities will avail themselves of Federal assistance to redevelop the community and to get rid of certain slum areas. Other communities will not touch title

I at all, but they will avail themselves of the opportunities afforded them through title II to get, say, a thousand units of low-rent housing.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. CAIN. Permit me to finish this observation. This portion of the problem is disassociated from any concern of the Federal Government.

In answer to the Senator's last question, the Senator from Ohio [Mr. BRICKER] and I are going to suggest that no project shall be assisted under this act, with reference to title II, unless there shall be in force and effect an ordinance or other local law prohibiting the use and operation for residential purposes of property which is unfit, insanitary, or otherwise detrimental to the public health. The authority shall determine that question under the provisions of an existing ordinance or other local law. Within one year after the project shall have first been made available for occupancy, dwelling units in number equivalent to the number of dwelling units in the project will be either demolished or rehabilitated.

On the basis of this approach, there will not be a net loss of a single solitary unit of housing in a community. Let us suppose that a project is to have a thousand units. It is constructed and made available for occupancy. A thousand families move in. From the time those thousand families move in, the community has a year in which to fulfill its obligation, either to repair or rehabilitate a thousand substandard houses, or to destroy them. In no American community will the destruction of a thousand houses be required, because of every thousand houses which are substandard, it is estimated that 60 percent of them are susceptible to being made standard by the expenditure of reasonable sums.

Under the terms of this amendment we would be getting rid of the slums. We would be improving private property within the community. With reference to that obligation, it would not cost the Federal Government a dime. Why? Because the American property owner should be required by law to make certain that his facilities do not disintegrate into a slum.

With that observation, I am pleased to yield to the Senator from Minnesota.

Mr. THYE. Let us assume that there is need for the additional housing project consisting of 1,000 units.

Mr. CAIN. I used that merely as an example.

Mr. THYE. Up until such time as agreements had been recorded, construction of the project could not be commenced. Is that the full intent of the Senator's amendment? Suppose that the housing project is accepted and approved. It then becomes a question of procedure. Before we can proceed with the project we must have an agreement with the city authorities and the property owners of 1,000 units that such units must be either repaired or removed entirely before the new project, consist-

ing of a thousand units, can proceed. Is that the intent of the amendment?

Mr. CAIN. It would not work exactly like that.

Mr. THYE. How would it work?

Mr. CAIN. I think I can indicate how a contract would actually work under this law. Community X says to the Housing and Home Finance Administrator, "We, as a local community, want a thousand low-cost, low-rent, subsidized, federally constructed homes." The Administrator says, "That is excellent. All you have to do in return for the thousand new homes to be built is to agree that within a year following the time when the thousand homes are available for occupancy you will exercise the authority of your city to guarantee that a thousand presently substandard units in your community are either rehabilitated or demolished."

I happen to be familiar with the business of city administration in a good many cities of this country. I could go into almost any city, take a look at the books, call in the head of the fire department, the head of the health department, and the head of the police department, and say, "With reference to these 1,000 existing substandard accommodations, only enforce the law. Be courteous. Be reasonable. Do not be antagonistic; but say to the owners, 'You have a year within which to rehabilitate this accommodation, or we are going to require you to destroy it.'"

No housing accommodations would be lost. No units of available housing would be lost, but there would be a tremendously fine contribution to the future health of the community.

Mr. THYE. Mr. President, will the Senator yield for a further question?

Mr. CAIN. I yield.

Mr. THYE. Does the Senator anticipate any delay in the negotiation of all the transactions necessary to commit the city administration to the program? There would have to be an obligation under a specific contract with respect to a thousand housing units. Merely a word would not be sufficient. There would have to be a contract or agreement. Does the Senator anticipate any delay on the part of the Housing Administrator in proceeding with the construction of the 1,000 housing units while he is dealing with those who are involved in the housing project, and while compliance is being obtained on the part of property owners with respect to their obligation to repair and improve their property?

Mr. CAIN. Let me respond by describing how such programs have actually worked in the past.

In passing, let me say to the Senator from Maryland [Mr. TYDINGS] that he has begun a discussion which is of the greatest possible importance to the future of this proposed legislation. I believe that every city administration which knows anything at all about its business knows, in rather accurate fashion, the number of substandard units of housing within the community. The health department is always concerned with that problem. It is constantly in-



vestigating and analyzing the situation. The fire department must know where the so-called firetraps are, in order best to protect the community against the hazard of fire.

Take the city of Tacoma, Wash., in which I live. I could go there today and ask the health director how many substandard units there are within the confines of that community. He might reply, "Between 1,200 and 1,500." If I were to ask for the addresses, he could furnish that information from his file. The fire and police departments could do the same thing.

The laws of that community are comparable to the laws of most other American communities. They provide that every property owner shall keep his property in such condition as to comply with the health and sanitation regulations. So far so good. The community wants a thousand houses. It so states to the Federal agent. The Federal agent says, "You will get them provided you will, for the first time in years, do something for yourselves. Will you agree, within a year's time after the houses are available for occupancy, to rehabilitate or destroy a thousand houses? If the mayor and the city council want those 1,000 new houses they can immediately say, 'Where do we sign?'"

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. TYDINGS. I should like to get the thought of the two Senators who are engaged in this colloquy. In the time of the Senator from Washington I should like to ask this question: If the 1,000 houses to be built in community X were built to replace a thousand houses in the slums in that community, and if there were no abnormal housing shortage in community X, would the Senator then assume that it would be all right to tear down a thousand slum houses?

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. THYE. I would say to the distinguished senior Senator from Maryland that my only reason for raising the question—

Mr. TYDINGS. I see the Senator's point—

Mr. THYE. My only reason for raising the question was to make certain that we were not placing a stumbling block before those who would endeavor to improve the situation and to increase the number of living units in the United States, by means of carrying out the legislation we are now discussing. That was the first purpose of the question I asked. The second purpose was that I am as concerned as anyone could be about slum clearance and the eradication of slum areas, which have done more to destroy the opportunities of American youth and have brought about more juvenile problems than has any other thing which may have occurred in our land.

Mr. TYDINGS. I am sure of that.

Mr. THYE. But in view of the present emergency situation because of the housing shortage, I do not wish to have a stumbling block placed before the Housing Administrator, so as to prevent

the achievement of what all of us wish to have achieved.

Mr. TYDINGS. I do not think the Senator from Minnesota understands my point. He would not object to the destruction of slum housing, assuming that other houses had been built and that there was no abnormal shortage of other houses in the community, would he?

Mr. THYE. Absolutely not.

Mr. TYDINGS. His one concern, I am sure, is the destruction of slum houses in locations where there might be such a shortage of houses that the destruction of the slums would almost create the condition which we desire to get rid of. Is that correct?

Mr. THYE. Yes.

Mr. TYDINGS. Then, would the Senator from Minnesota object to the destruction of the slum housing 1, 2, or 3 years later, let us say, when it would be fair to assume that by that time the housing shortage would have been met?

Mr. THYE. Positively not.

Mr. TYDINGS. Then the Senator from Minnesota has answered my question.

Mr. THYE. In fact, I qualified myself at the outset by saying that I feared that the amendment compelling the removal of at least as many slum units as the number of units constructed might come into effect 1 or 2 years too soon, and thus might create just an additional vacuum in the housing situation.

Mr. TYDINGS. Yes.

Mr. CAIN. Mr. President, I wonder whether the Senator realizes that the 1937 act provided that one slum unit should be removed for each new housing unit created under the act, but there was a proviso:

Except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

Does that not allay entirely the Senator's fear?

Mr. THYE. That is correct. The reason the problem was involved under the 1937 act was that just after that measure was enacted and just after the construction of houses began, we moved into a war era; and of course during the war it was not possible for private housing to be constructed; in fact, it was not even possible for the normal amount of public buildings to be constructed to facilitate meeting the needs of the institutions in the States. That is why we have this tremendous vacuum in the housing supply, and that is why I was concerned as to whether we would place an obstacle or a stumbling block before the Administrator, so as to prevent him from moving speedily forward in the construction of new homes or living units, of which there is such a shortage in our land today.

Mr. CAIN. If the one-for-one amendment were to prevail in the Senate, would the Senator from Minnesota continue to be of the opinion that the provision might be an obstruction to the construction of the new houses or housing units whose construction would be made possible by this proposed legislation?

Mr. THYE. My fear has been eased very considerably, because I think the discussion which has occurred here would leave no doubt in the mind of either the city officials or the Administrator as to what is intended by the legislation and as to what they might expect to be obligated to do under it.

Mr. CAIN. In other words, this bill would make very clear that after new houses have been built, as a part of the obligation in connection with obtaining new houses or new housing units, old houses or old housing units must either be improved or destroyed; is that correct?

Mr. THYE. Within a reasonable time.

Mr. CAIN. Yes; we mention a year.

Mr. THYE. And that if the destruction took place, it would not result in putting families on the street.

Mr. CAIN. The new houses would have been built prior to the time when any of the old houses would be destroyed.

Mr. THYE. Under the congested conditions which we found it highly desirable to relieve, many families might be living under the same roof. In such case one of those families might be placed in a new public housing unit, but the other families might be left in the old house for perhaps a year longer, until such time as sufficient private construction adequate to eliminate the housing shortage might be made available. That is what I have in mind. There might be two or three families under one roof, and compelled to live there because of a lack of sufficient housing.

Mr. CAIN. Yes.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. LANGER. I should like to call the attention of the Senator from Maryland, the Senator from Connecticut, the Senator from Alabama, and the Senator from Pennsylvania to the question I shall ask in connection with the matter of public housing, if the Senator from Washington will yield.

Mr. CAIN. Let me ask whether the Senator from North Dakota is addressing his question to all the Senators to whom he has referred or to me.

Mr. LANGER. I am addressing it to the Senator from Washington, in the hope that all the other Senators will listen.

Mr. CAIN. I thank the Senator.

Mr. LANGER. Is the Senator from Washington familiar with the preamble to the Democratic Party platform, adopted in 1932?

Mr. CAIN. The answer is "No."

Mr. LANGER. Let me read it to the Senator:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

Then let me call the attention of the distinguished Senator from Washington to the platform of the Democratic Party in 1936, at the time when the distinguished Senator from Maryland [Mr. TYDINGS] was a delegate to the Democratic National Convention. Here is



what the Democratic Party promised for the poor people:

#### HOUSING

We believe every encouragement should be given to the building of new homes by private enterprise, and that the Government should steadily extend its housing program toward the goal of adequate housing for those who are forced through economic necessities to live in unhealthy and slum conditions.

Mr. President, that was in 1936, long, long years ago.

I wish to call the attention of the Senators I have mentioned to how far the Democratic Party has progressed toward keeping that platform pledge. I hold in my hand an article appearing in today's New York Times. It says, in part:

DOUGLAS takes four Senate colleagues on tour of slums near Capitol Hill.

The following appears in the sixth paragraph of the article:

Senator DOUGLAS said that the alley represented "one of the worst slum conditions I have ever seen and only 100 feet from the Senate Office Building."

So, Mr. President, in 13 years the Democratic Party had progressed 100 feet from the Senate Office Building, in clearing out the slums here in the city of Washington.

I further call attention to the fact that there is one great distinction between the Democrats, in the way they do business, and the Republicans, in the way they proceed when they get into office. Mind you, Mr. President, last year not only myself but also the Senator from Oregon and other Senators made speeches on this very matter of the slum situation. Finally in the Eightieth Congress, which has been denominated as the very worst, the Senate passed a bill sponsored by the senior Senator from Ohio for the purpose of clearing the slums. It was really a very fine bill. There was not very much publicity about it. I picked up this morning's New York Herald Tribune. I walked into another room and I saw a vast number of newspapers there. There is a front-page photograph of a Democratic Senator. The word goes out to all the people, who did not keep track of what the Eightieth Congress did, that he is another Democrat who has gathered up some of his colleagues, and they have gone out to investigate slum clearance. The Democratic Party once more, I assume, is going to claim credit for bringing the matter to the attention of the Senate.

The Senator from Maryland says it will take 2 years more to pass a bill. I call attention to the fact that the Republican Party 2 years ago passed a bill providing for slum clearance. Unfortunately, the measure was not passed by the House. So far as the Senate is concerned, we did a good job.

Mr. TYDINGS and Mr. SPARKMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield; if so, to whom?

Mr. CAIN. Before yielding further, I merely wanted to ask the Senator from North Dakota, What was the question he desired to ask?

Mr. LANGER. The question was whether it is not true that the Republican Party, in the Eightieth Congress, so far as the Senate is concerned, did a good job in connection with the subject under discussion?

Mr. CAIN. I may say to my good friend from North Dakota, he has already obviously answered his own question at some length. I yield to the Senator from Maryland.

Mr. TYDINGS. The Senator from North Dakota said the Republican Party had passed the Taft housing bill through the Senate. That is correct. But the Senator neglected to say the Republican Party would not pass the Taft housing bill through the House. So while it is true that the Democrats only went 100 feet in 13 years, the Republicans actually lost ground. So we are ahead of them, at any rate.

Mr. CAIN. Mr. President, I have been yielding all afternoon. I think it is perfectly proper, and I shall continue to do so. I should like to say, however, that we are confronted, it seems to me, with a national problem; we are trying to reconcile differences between people of different attitudes of mind, and the less we get into the field of partisan politics, the healthier it will be.

I should like again, if I may, merely to say that the amendment which is presently before the Senate would only require of any American community, before taking advantage of the requirements and provisions of Senate bill 1070, acting through its public body, to refer its desire to take advantage of the legislation to the citizens of the community. We call it a referendum. I said some time ago we should examine the beneficial results to be obtained from adopting the amendment, which would require a referendum on one of the more important questions of the day. I should like to repeat, because it is a singular fact I think, that without a referendum it will certainly happen in many communities whose citizens want the assistance provided in the pending bill, and think it is needed, that the local public body, either through inertia or prejudice or by reason of the individual personnel, will take no positive action, and make no recommendation to its local housing authority. Much has been said directly or by way of implication to the effect that great industrial groups with sinister purposes are abroad in the land, determined to destroy, to interrupt, to torpedo the objectives of the bill. If that be so, then how much easier is made the accomplishment of their purposes, if the only thing needed is majority control of a local public body. I submit therefore, and call it to the attention of every Senator, that the adoption of the pending amendment is a positive method by which an American community can insure itself of the required local determination and thus negate those influences, no matter what motives might be brought to bear on a small local governing body. Likewise, the amendment in this respect becomes, as it ought to be, a two-way street. It would obviously protect the local governing body from the over-zealousness of

well-intentioned but oftentimes highly emotional groups who would illogically persuade action not in the local public interest.

Were I, or any other Senator, the person to be chosen to administer the bill, to translate the intent of Congress into a going, effective instrument, then I think most Senators would welcome and insist upon the pending amendment.

Under the terms of the bill, an American community itself must make substantial contributions to the projects, either by direct cash payments or by waiving taxes. Thus, each and every one of the citizens of a community should be permitted to record his own individual wishes.

The bill embraces a tremendous social program. Certainly I subscribe in full measure to the hope that it will increase the health and the well-being of our citizens generally. This tremendous program will fail only as it fails to receive the sturdy and continuing interest and support of America's communities. As the administrator, were the administration of the legislation to be my own task, I should want that positive assurance from a community.

Again, from the viewpoint of effective administration, the bill before us, as I know we all agree, is fraught with highly controversial items, which ought first to be thought out and submitted to a positive determination by the citizens most directly affected. Who should be admitted to the low-rent housing provided by the Federal Government in any community? Under what conditions are they to be permitted in the first instance to occupy the housing? How long, and under what conditions, are they to be permitted to remain? What should be the cost per unit? What form shall the local assistance take? What areas are to be cleared of its slums or blight? These are but a few of a score of big questions within the confines of the pages of the bill. If they are not first answered by Mr. John Q. Public or John Citizen everywhere, the program will surely fail of its fine objective.

In America's 10 years of experience with public housing, much that is uncomplimentary of its administration has been said, and with very just cause. Fraud and ineptness have been charged on occasions. Uneconomical practices and procedures have grown up, happily in small degree, within the program. It, therefore, happens to be the very positive belief of the junior Senators from Ohio and Washington that in its new and continuing shape the operation is assured of a more successful administration with the adoption of this amendment.

I have not had an opportunity to discuss at any length the substance of the amendment, before this time, with the Senator from Alabama [Mr. SPARKMAN], who was the chairman of the subcommittee, nor have I had an opportunity to discuss its merits with the Senator from South Carolina [Mr. MAYBANK], the chairman of the Banking and Currency Committee. I know they will give consideration to the amendment and



that they will certainly provide the Senate with substantial reasons, if, in their opinion, the amendment should not be approved by the Senate. My great feeling in support of the amendment is that when an American community embarks upon a course calling for the establishment of projects consisting of subsidized low-rent housing units, that community is not likely, in the field of housing, to cut itself off from assistance from the Federal Government. That may be quite the proper thing to do, but it will be a costly thing to do. I feel that every citizen of an American community should have laid before him clearly all the facts involved in his particular community case, with a majority expression by the community which, if in favor of taking advantage of the possibilities offered by the bill, will be healthy, not only for the future of public housing, but will further be healthy in cementing and creating a greater and a more wholesome relationship between the Federal level of government on the one hand and the community and its citizens on the other.

Mr. President, aside from perhaps having an opportunity tomorrow to summarize in a few sentences the substance of this first of a series of amendments to be offered, I have concluded my presentation of the amendment.

Mr. MYERS. Mr. President, I had intended to address the Senate this afternoon on the housing bill which is now pending, to call the attention of the Senate to the existing low-rental housing projects in Pennsylvania, and also to call the attention of the Senate to the 3-year program for urban low-rental housing submitted by local housing authorities in Pennsylvania, as of 1945. I hoped we might reach a vote on at least some of the amendments, and I therefore refrained from asking for recognition. The hour is late, and I do not intend to make the remarks to which I have referred, but I ask unanimous consent that they may be printed as my statement at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### HOUSING

Mr. President, I think most of us in the Senate of the Eighty-first Congress need no more persuasion to agree on the urgent need for an adequate low-cost public-housing bill at this time. This crowning and obvious fact was recognized by the Senate in both the Seventy-ninth and the Eightieth Congresses when a similar bill was passed. I am sure that all of us who supported this measure last year and in the Seventy-ninth Congress, and all of us who support it now, are happy to know the same fate of those previous housing bills does not lie ahead of the bill before us now. This bill will not die before being passed on by the House of Representatives, and it will become part of the law of the land during this session of Congress.

This housing bill tackles head-on one of the most critical domestic problems in America today. The technical name for that problem is "urban redevelopment"—but it is better known to all of us as slum clearance. And this is a critical problem in my own State of Pennsylvania.

To illustrate, the report submitted by Senator WAGNER to the Joint Committee on Housing of the Eightieth Congress quotes Mayor David Lawrence, of Pittsburgh, thus:

"The present deplorable housing situation is having a serious effect upon family life. \* \* \* The city of Pittsburgh and every other city in our country are endangered by the growth of slums and the failure to provide decent homes for our citizens. \* \* \* This deplorable situation cannot go on \* \* \* Congress must pass S. 866 at once."

The Senate will recall that Senate bill 866 is the housing bill which the Eightieth Congress did not pass.

Now it is perfectly understandable why this slum problem should be a pressing one in Pennsylvania. In the first place, as one of the Original Thirteen States, Pennsylvania was among the very first to develop its industrial and mineral resources. The enormous extent to which this development has been carried forward has made Pennsylvania the second most populous State. In addition to a large rural population, great aggregates of people live in densely populated metropolitan areas. Ten metropolitan districts alone have populations greater than 100,000.

These are important facts, because age and concentrations of population are major contributors to the creation of slums. That such slums do exist is painfully clear from such information as was furnished by the 1947 census survey. The Philadelphia area contains almost a million dwellings—and that survey showed 11 percent of them either lacked private baths, or were in need of substantial repair. A third of the more than half million dwellings in the Pittsburgh area are in this condition. In the Scranton-Wilkes-Barre area this figure is 25 percent—and in the Allentown-Bethlehem-Easton area, 23 percent of the dwellings similarly need either a private bath or major repair. Of the four areas I have used as example here, only Philadelphia—with 11 percent of its dwellings in need of major overhaul—lies below the national average of 19 percent. The other three areas are materially worse off than the Nation as a whole.

Urban slum clearance will not solve all of America's housing problems, however. The present bill also tackles the problem of what we might refer to as rural slums, a problem at least as serious in many of its aspects as that existing in our cities. I do not intend to discuss this at this time, however, because this issue was brought to the attention of the Senate on Monday of this week by the illuminating and thorough remarks of the distinguished junior Senator from Delaware [Mr. FREAR]. He has given us an excellent survey of an urgent problem which exists in America's rural housing.

Reports from Pennsylvania newspapers, letters, and conversations I have had with State and municipal authorities, with Pennsylvanians from one end of the State to the other, overwhelmingly confirm the fact that there is an almost unanimous belief that we must face the problem of slum clearance and public housing. And there is almost unanimous agreement that Federal aid is obligatory if we are to carry out our aim and our duty to see to it that the American people are decently housed.

My own city of Philadelphia refused for some years to set up a local Housing Authority. I am happy to observe, however, that this reluctance is a thing of the past—and once Philadelphia entered the public housing program, it did so wholeheartedly. Today 6 public housing projects provide 3248 dwelling units in Philadelphia—almost a quarter of the total public housing units in the State.

The report of the Senator from New York [Mr. WAGNER] on slum clearance contains a statement which, I believe, illustrates quite well the present attitude in Philadelphia toward public housing, and I should like to read it at this time.

"Mayor Bernard Samuel of Philadelphia expressed the point of view of the majority responding when he said that State enabling legislation in Pennsylvania is not in itself sufficient to carry out a program of clearing and redeveloping slums and blighted areas because it does not provide the necessary financial assistance. 'Only with Federal financial assistance can the city of Philadelphia hope to carry out to a successful completion its contemplated program of urban redevelopment,' he said."

While the city administration at Philadelphia flatly refused at first to accept any sort of Federal support for slum clearance and public housing, Pittsburgh, on the other hand, responded immediately—and I am proud to say that today one of the finest public housing programs in the country is to be found in Pittsburgh. At present there are 4463 public housing units in that city alone—almost 40 percent more than are to be found in Philadelphia. In addition to the six housing projects in Pittsburgh itself, the surrounding communities in Allegheny County of McKeesport, McKees Rocks, Duquesne and Rankin have constructed more than 1240 housing units, swelling the total for Allegheny County to 5604 units.

At present, 25 Pennsylvania localities have Housing Authorities. 22 of these authorities have constructed 46 separate projects, housing 13,286 families and 5,262 of these housing units were occupied by Negroes on the last day of 1948.

TABLE 1.—Low-rent public-housing projects in the State of Pennsylvania

Location	Number of projects	Total number of units	Total number of units occupied by Negroes as of Dec. 31, 1948
Alequippa.....	2	154	50
Allentown.....	2	426	1
Ambridge.....	1	72	.....
Beaver Falls.....	2	192	49
Bethlehem.....	1	202	.....
Chester.....	4	1,200	547
Connellsville.....	1	150	.....
Duquesne.....	2	265	81
Erie.....	2	284	40
Farrell.....	1	150	36
Harrisburg.....	2	460	224
Johnstown.....	2	211	50
McKeesport.....	3	406	50
McKees Rocks.....	1	288	19
Philadelphia.....	6	3,248	1,981
Pittsburgh.....	6	4,463	1,981
Pottstown.....	1	117	.....
Rankin.....	1	182	34
Reading.....	1	400	8
South Union Township.....	2	240	40
Washington.....	2	146	46
Wayne.....	1	50	25
Total.....	46	13,286	5,262

Cities in Pennsylvania with local housing authorities but without a low-rent program: Elwood City, Housing Authority of the County of Lawrence; Scranton, Scranton Housing Authority; New Kensington, Westmoreland County Housing Authority.

In recent years, the reaction of Pennsylvania localities demonstrates in convincing fashion the awareness of the people in my State of the need for slum clearance and public housing. The local housing authorities of Pennsylvania answered the postwar self application questionnaires in 1945 by submitting estimates of 27,300 public-hous-



ing units which they were willing to undertake in a 3-year period.

TABLE 2.—3-year programs for urban low-rent housing submitted by local housing authorities in Pennsylvania—1945

Allentown.....	600
Arnold Borough and New Kensington City.....	225
Braddock Borough.....	700
Braddock Township.....	100
Centerville.....	150
Chester.....	1,500
Clariton.....	300
Donora.....	150
Easton.....	150
Erie.....	276
Farrell.....	330
Fayette County.....	629
Harrisburg.....	1,250
Johnstown.....	1,686
Masontown.....	46
McKeesport.....	600
McKees Rocks Borough.....	400
Monessen.....	220
Philadelphia.....	9,750
Pittsburgh.....	7,000
Rankin Borough.....	300
Reading.....	228
Washington.....	250
Westmoreland County.....	525

The results of that 1945 survey simply added up to this: Pennsylvania localities were then ready to construct—in the short space of 3 years—more than twice the number of public-housing units as already existed in the State.

Because of inaction by Congress in the past few years, nothing has been done to make it possible to carry out that program. There is a compelling reason to believe that Pennsylvania is ready today to undertake a still larger program. Last year, the distinguished Senator from New York [Mr. WAGNER], collected a great deal of information from State governors, mayors, and prominent public leaders which he included in his report to the Joint Committee on Housing. And, although Senator WAGNER did not contact all the Pennsylvania areas which had local housing authorities, the reports he received from five of our cities indicate clearly that these cities are ready to accept their responsibilities in developing an even larger public-housing program than they had previously submitted in 1945.

The 1945 postwar shelf program had visualized a 3-year plan for public housing. The Senator from New York had based his survey on a 4-year program. All five of the communities which reported said they were willing to undertake a larger commitment over this longer period than they had previously outlined. Philadelphia volunteered to accept a 6-year program to construct 19,500 housing units—instead of the 9,750 units previously agreed to under the 3-year program. Pittsburgh agreed to undertake 10,000 units in 4 years, instead of 7,000 in 3 years. Similarly, Erie revised its estimate upwards from 276 to 500; Harrisburg, from 1,250 to 1,800; and Reading, from 228 to 500.

These figures show quite clearly the vital awareness to the public-housing problem among the people of Pennsylvania.

These figures prove that up to now we have scarcely made a dent in the over-all problem of supplying decent housing. The bill before us is designed to meet two specific aspects of the much larger question facing us in meeting the housing shortage in America. This bill supplies funds imperatively needed to clear away slums. The very nature of slum clearance is what we might term uneconomic from the standpoint of private investment. Frequently, the cost of acquiring and clearing land costs more than the value which can be received from the land once cleared. This bill provides the money to make up that difference. Should we fail to furnish funds for this purpose, the alter-

native we face gives rise to a curious contradiction. That contradiction is this:

In city after city, the amount of taxpayers' money which is required to maintain essential services in slum areas—in special fire and police protection, juvenile courts, houses of correction, and health clinics—is considerably more money than is received in revenues by the private owners of those same squalid slum properties.

I have received many letters which point out the costs to America of retaining our slums. One of these letters stresses particularly well an aspect of this problem which we are frequently apt to overlook, and I should like to quote briefly from it:

"In my work as a psychiatrist I am acutely aware of the great emotional damage to individuals and families as the result of terrible housing conditions. Surely the cost of adequate housing legislation now will be far less than the ultimate cost of emotional illness if people's basic needs are not provided for. It is only common sense that the Government take action to meet such a fundamental need for so many people."

In addition to slum clearance, the other major attack planned in the housing bill is to provide a decent place to live for that section of our population least able to provide adequate shelter for themselves. And the bill contains careful guaranties that this publicly supported housing program will in no way duplicate or threaten building programs now being carried out, or contemplated, by private investment on its own initiative. The difference in rent ceilings provided in this bill assure this. What we are undertaking here is to meet a challenge yet unmet by our private building program in America—the kind of challenge which has not been economically practicable for private building to meet—and which is, on the other hand, the kind of problem which has caused the greatest hardships among those least able to remove the burden upon them. I feel it is entirely unnecessary for me to elaborate on the terrible price America pays for the disease, the crime, and the despair which flourish in our slum areas.

Yes, this bill before us takes a long stride in the right direction—but it does not end the housing shortage in America. For one thing, it is a bill intended for a limited, but most urgent purpose. The bill is going to supply some relief where that relief is most needed. I am only sorry that we did not have this measure a year ago, when we had the opportunity to have it. I am even more sorry that we did not have it 2 years ago, or 3 years ago, because by this time we would have had some of this job behind us, and the present situation would not be quite so critical as it is.

But we did not get this bill 1, or 2, or 3 years ago. That is history now, and of no present moment. We must look at the present, and to the future. When we look at the present and look at the future, we can see clearly the need for much more housing legislation than this bill alone. The present bill is going to help only those whose incomes are right at the very bottom of the economic heap. What, Mr. President, may I ask, do we see for the countless millions who today are earning incomes just above the level which would entitle them to live in public housing? These people, too, are crowded together—millions of them—and millions of them live in substandard, inadequate housing.

They, too, wish to build their own homes, but they simply cannot afford to do so on the present market with its high building costs and prohibitive financing methods. The Members of this Congress must face this problem, too, as I am confident they will. I look to the day that America shall launch itself on a simply gargantuan home-building program, making use of new building techniques, new materials, and new

financing methods. I am confident, too, that this can be done completely in keeping with the spirit of our American free-enterprise system. And I am confident that we shall achieve one of the great American dreams—the dream that every American shall be decently sheltered in a home he is proud of.

The present bill, as I have said, is a big step. But it is only a first step. So I urge every Member of the Eighty-first Congress to support this measure now so we will be able to cut to a minimum any further delay in this essential work which lies before us.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Will the Chair please state the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] on behalf of himself and the Senator from Ohio [Mr. BRICKER].

Mr. SPARKMAN. Mr. President, will the Senator from Pennsylvania yield?

Mr. MYERS. I yield.

Mr. SPARKMAN. Mr. President, I ask if the pending question is the same at this time as it was last night.

The PRESIDING OFFICER. It is exactly the same.

#### EXECUTIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SCHOEPEL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### SAFETY OF LIFE AT SEA—TREATY

Mr. TYDINGS. Mr. President, I ask unanimous consent for the present consideration of Executive B—Eighty-first Congress, first session—an International Convention for the Safety of Life at Sea, 1948, signed at London on June 10, 1948, by the respective plenipotentiaries of the Government of the United States of America and the governments of 27 other states.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. Mr. President, I did not know that any treaties were to be ratified today.

Mr. TYDINGS. Mr. President, will the Senator yield for a moment?

Mr. WHERRY. I yield.

Mr. TYDINGS. I should like to say to the Senator from Nebraska that I myself would insist on a larger attendance of Senators if the treaties to be considered were at all complicated, but they are very simple matters, dealing with weather reports and with safety at sea. They were unanimously reported from



the Committee on Foreign Relations, and inasmuch as they involve little or no cost to the United States and are a great advantage to maritime travel all over the world, I was hopeful that we could dispose of them. I shall be glad to make a fuller explanation if the Senator desires it.

Mr. WHERRY. Reserving the right to object, may I ask the Senator a question or two?

Mr. TYDINGS. Yes, indeed.

Mr. WHERRY. The Senator says these treaties were reported unanimously by the Committee on Foreign Relations.

Mr. TYDINGS. Yes. One of them deals with weather reports, and provides simply for an exchange of weather information all over the globe, in the interest of safety at sea. The other treaty is designed to cause the nations of the world to equip their ships with safety appliances, such as lifeboats and life preservers, in a voluntary manner, so as to raise the whole standard of safety at sea.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the treaty.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the Convention, Executive B (81st Cong., 1st sess.) an International Convention for the Safety of Life at Sea, 1948, signed at London on June 10, 1948, by the respective plenipotentiaries of the Government of the United States of America and the governments of 27 other States, which was read the second time as follows:

INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1948

The Governments of the Argentine Republic, the Commonwealth of Australia, Belgium, the Republic of the United States of Brazil, Canada, the Republic of Chile, the Republic of China, Denmark, Egypt, the Republic of Finland, the French Republic, Greece, the Republic of Iceland, India, Ireland, the Italian Republic, the Netherlands, New Zealand, Norway, Pakistan, the Republic of Panama, the Republic of the Philippines, the Republic of Poland, the Portuguese Republic, the Union of South Africa, Sweden, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Union of Soviet Socialist Republics and the Federative People's Republic of Yugoslavia, being desirous of promoting safety of life at sea by establishing in common agreement uniform principles and rules directed thereto:

Considering that this end may best be achieved by the conclusion of a Convention to replace the International Convention for the Safety of Life at Sea, 1929:

Have appointed their Plenipotentiaries, namely:—

The Argentine Republic:

Captain Don Alberto J. Oddera, Naval Attaché, Argentine Embassy, London.

Commander Don Juan Eugenio Peñafab, Chief of Regime and Safety of Navigation Services Division in the Maritime and River Transit Service—Maritime Prefecture—Navy Department.

Lieutenant Don Jorge R. Martínez-Vivot, Naval Engineer, Navy Department.

The Commonwealth of Australia:

Captain Norman Gerald Roskrige, Acting Director of Navigation, Marine Branch, Department of Shipping and Fuel.

Mr. Sydney Pollock, Engineer and Ship Surveyor-in-Chief, Marine Branch, Department of Shipping and Fuel.

Belgium:

Mr. G. Bertrand, Engineer in Chief, Director of the Marine Administration.

Mr. F. Van Gool, Nautical Adviser, Marine Administration.

The Republic of the United States of Brazil:

Vice-Admiral Gustavo Goulart (Retd.), President, Maritime Tribunal.

Rear-Admiral Antonio Alves Camara, Director-General, Hydrographic and Navigation Department in the Ministry of the Navy.

Captain Paulo Nogueira Penido, Naval Attaché, Brazilian Embassy.

Commander J. C. Rego Monteiro, Naval Constructor, Head of the Technical Division, Rio de Janeiro Naval Yard.

Canada:

Mr. Jules Léger, Officer of the High Commissioner for Canada in London.

Mr. H. V. Anderson, Director of Marine Services.

The Republic of Chile:

Commander Kaare Olsen Naval Attaché, Chilean Embassy, London.

The Republic of China:

His Excellency Dr. Tien-Hsi Cheng, Ambassador.

Denmark:

Mr. Ove Nielsen, Head of Shipping Department, Royal Ministry of Trade, Industry and Shipping.

Mr. Aage H. Larsen, Principal, Technical Section, Royal Ministry of Trade, Industry and Shipping.

Mr. Arnold Poulsen, Civil Engineer, Advisor to the Royal Ministry of Trade, Industry and Shipping on Radio and Electrical Technique.

Mr. A. Bache, Deputy Head of Section, Royal Ministry of Trade, Industry and Shipping. Secretary to the Delegation.

Mr. T. C. Christensen, Shipowner. Member of the Board of Directors of the Danish Steamship Owners' Association.

Captain Th. Petersen, Secretary, Danish Steamship Owners' Association.

Captain J. Kastrup Olsen, Chairman, General Danish Association of Master Mariners.

Mr. H. Rasmussen, Manager of the Firemen's Union of Denmark.

Egypt:

Mr. Choukry Costandi Fanous, Consul-General for Egypt in London.

The Republic of Finland:

Captain William Söderman, Head of Marine Department of the Board of Navigation.

The French Republic:

Mr. G. Anduze-Paris, Secretary-General of the Merchant Marine.

Greece:

Captain Antoine Bachas, R. H. N. F., Greek Ministry of Mercantile Marine, London.

The Republic of Iceland:

His Excellency Mr. Stefan Thorvardsson, Icelandic Minister to Great Britain.

India:

Mr. V. K. Krishna Menon, High Commissioner for India in the United Kingdom.

Sir Raghavan Pillai, Indian Chargé d'Affaires, Paris.

Mr. M. A. Master, General Manager, Scindia Steam Navigation Co., Ltd., Bombay.

Mr. R. S. Mani, Deputy High Commissioner for India in the United Kingdom.

Captain S. A. T. Bullock, Nautical Adviser, Government of India.

Lieutenant Commander T. B. Bose, R. I. N., Principal Engineer and Ship Surveyor, Mercantile Marine Department, Calcutta.

Ireland:

Mr. Denis Devlin, First Counsellor, Office of the High Commissioner for Ireland.

Miss Thekla J. Beere, Principal Officer, Department of Industry and Commerce.

The Italian Republic:

Lieutenant-General of the Captains of the Port Giulio Ingianni, former Director-General of the Mercantile Marine. Chairman of the Italian Safety of Navigation Committee.

The Netherlands:

Mr. P. S. van't Haaff, Inspector-General of Shipping.

Mr. A. J. W. van Anrooy, Chief of the Mobile Telegraphy and Radiotelephony Services. Captain G. J. Barendse, former Commodore of the Holland-America Line.

Captain J. F. van Mulijwijk, Treasurer of the Merchant Navy Captains' and Officers' Union.

Mr. E. Smit Fzn, Naval Architect, Adviser to the Shipping Inspection Service.

Mr. D. Hudig, former Director of the Royal Netherlands Steam Navigation Co.

Mr. T. M. Pellinkhof, Chief of Labour Section of the Directorate-General of Shipping. New Zealand:

Engineer Lieutenant-Commander Edward Brown, R. N. Chief Surveyor of Ships, Marine Department.

Mr. Victor G. Boivin, Deputy Chief Surveyor of Ships, Marine Department.

Norway:

Captain E. Bryn, Director of Shipping, Ministry of Industry, Trade and Shipping.

Mr. J. Schönheyder, Engineer-in-Chief, Ministry of Industry, Trade and Shipping.

Commander O. I. Loennechen, Commander, R. N. R., and Vice-President in the Norwegian Shipowners' Association.

Captain Chr. Meyer, R. N. (Retd.), Former Director in the Norwegian Shipowners' Association.

Captain E. Tonnesen, Captain, Merchant Marine, and Chairman in the Norwegian Shipmasters' Association.

Mr. Johs. E. Johansen, Secretary-General of the Norwegian Shipengineers' Union.

Mr. E. H. Ottersen, Radio Operator, Secretary in the Norwegian Seamen's Union.

Pakistan:

Mr. H. I. Rahimtoola, High Commissioner for Pakistan in London.

The Republic of Panama:

Señor Eusebio A. Morales, Counsellor at the Panamanian Legation in London.

The Republic of the Philippines:

The Hon. Ramón J. Fernandez, Minister designate.

The Republic of Poland:

Captain H. Borakowski, Technical Shipping Adviser, Ministry of Shipping, Warszawa.

Captain Czeslaw Antkowiak, Director of London Branch Office, Gdynia-America Lines Limited.

The Portuguese Republic:

Senhor João de Deus Ramos, Counsellor to Embassy in London.

Commander José C. da Rocha, Naval Attaché, Portuguese Embassy in London.

Constructor Commander Raul Alberto Soares da Costa, Portuguese Navy. Division of Merchant Marine, Lisbon.

Lieut.-Commander Alfredo de Oliveira Baptista, Portuguese Navy Division of Communications, Lisbon.

Captain Luiz Armando de Loura, Portuguese Merchant Marine.

Sweden:

Mr. Karl Hjalmar Sjöholm, Chief of Division to the Board of Trade.

The Union of South Africa:

Mr. Reginald Gough Palmer, Senior Clerk of Department of Customs and Excise.

Captain G. A. Chettle, Examiner of Masters and Mates; Surveyor of Ships; Department of Customs and Excise.

The Union of Soviet Socialist Republics:

The United Kingdom of Great Britain and Northern Ireland:

Rt. Hon. Sir John Anderson, Chairman of the Port of London Authority.







six periods of 3 months each since January 1, 1937.

In order to be fully insured—entitled to retirement benefits—you have to have "wage credits" of \$50 or more in one-half of the quarters elapsed since January 1, 1937.

The term "wage credit" means the amount of earnings which have been credited on the worker's record card in the Records Division of Social Security.

In other words, you must have earned \$50 in one-half of the quarters elapsed since 1937—and your record card in the Social Security office must show it.

The administration bill would enable a worker to become "fully insured" as soon as he earned \$50 in one quarter of each four quarters which has elapsed since 1937.

If you are an insured worker nearing 65, and counting on retiring any time in 1950, you would need, under present law, to have earned wage credits of at least \$50 in each of 26 quarters since January 1, 1937.

#### NEW PLAN LIBERALIZED

But under the President's plan, you could retire any time in 1950 if you had only 13 quarters of coverage—and became 65 years old.

If you are one of those who would be newly insured under the old-age bill, the new retirement scheme would enable you to qualify quickly.

Under it, a newly insured person with not a cent of prior credit, who goes to work January 1, 1950, would be eligible to retire as soon as he earned \$50 in the first quarter of 1953.

The bill also offers workers another break not allowed under present law.

Under existing law, your retirement pay depends upon your average wage taken for the entire period of your work in covered employment.

For example, say since 1937 you worked 3 years at \$2,000, 3 years at \$2,400, and 7 years at \$3,000.

In 156 months you would have earned \$34,200, or \$219.30 average per month. That would be your average wage for computing your benefit, which we will do below.

But the President's bill proposes to allow you to base your benefits on your best 5 years.

In the best 5 years you averaged \$250 a month, and that would be the base under the President's bill.

That is a break for you. But the biggest proposal for improving benefits is the new benefit formula itself.

Here is the old formula: 40 percent of the first \$50 of your average wage plus 10 percent of the remainder, plus 1 percent of that total for each year you have been insured. The top wage insured is \$250 a month.

The administration formula: 50 percent of the first \$75 of your average wage, plus 15 percent of the remainder up to \$400 a month, plus 1 percent for each year you have been insured.

Say you are the man, mentioned above, who averaged \$219.30 for the 13 years to the end of 1950 when you expect to retire.

Under the old formula 40 percent of \$50 equal \$20. Ten percent of the remaining \$169.30 equals \$16.93, making a total of \$36.93. You have been insured 13 years, so 13 percent of \$36.93 equals \$4.80, which added to \$36.93 gives you \$41.73 a month primary benefit.

Primary benefit means what you are entitled to draw in retirement. If you have a wife, aged 65, she could draw an additional \$20.87.

The two of you would receive \$62.60 a month.

Now take the proposed new formula: Your average pay is \$250 for your best 5 years. Fifty percent of the first \$75 is \$37.50; 15 percent of the remaining \$175 is \$26.25, making a total of \$63.75. Thirteen percent of \$63.75 (1 percent for each of 13 years) is \$8.29, giving you \$72.04 primary benefit.

If you have a wife 60 years old—not 65 as under existing law—she can draw \$36.02, and together you have \$108.06.

This is \$45.46 a month more—or approximately 72 percent more—than under the formula now in the law.

There is still another benefit expansion in the new bill.

If you are a retired worker, drawing old-age benefits and doing occasional odd jobs in covered employment, you now lose your Government benefit for any month you earn more than \$14.99.

The President's bill proposes to raise this earning limit to \$50.

#### HIGHER BENEFITS FOR NEEDY

If you are not an insured worker but are drawing public assistance as a needy aged person, or a needy blind person, or a needy child, the administration also plans higher benefits for you.

A separate administration bill, now before the House, proposes substantial increases in Federal grants to States for public assistance.

If you are insured and should die, the Government would help to pay your funeral expenses.

A lump-sum payment equal to 3 months of benefits would be paid for that purpose regardless of whether you have survivors entitled to other benefits.

The administration also proposes to lift from workers' minds another worry, the fear of complete loss of income while ill or incapacitated.

The new bill proposes to add a 1-percent tax on wages to finance temporary disability insurance for all employed persons.

Under this you would be paid approximately a half of your weekly wage for 26 weeks.

This would cost, the Social Security Commission has estimated, about \$1,000,000,000 a year.

The self-employed would not be covered under this plan because the experts know of no way to estimate what such a person's loss of income may be while ill.

For permanent disabilities—illness or other incapacity lasting more than 6 months—there would be disability benefits at about the same rates as old-age benefits.

#### HEALTH INSURANCE COMPULSORY

The President has also proposed a compulsory system of health insurance for you and your family.

"This is not," he has said "free medicine" but "prepaid medical insurance."

You and your boss pay for it. You will pay out of your pay envelope and be entitled thereby to have your doctor's, dentist's, and hospital bills paid out of the Government health fund. Your employer matches your weekly pay deductions.

You would pick a doctor of your own choosing and the health fund will pay his bill.

Such are the broad promises the administration program holds out for some 120,000,000 to 130,000,000 people—54,000,000 workers and their families.

Benefits under this insurance, are not expected to start—if Congress approves the President's request—until July 1, 1951.

#### CONFIRMATION OF ROUTINE PROMOTIONS IN THE ARMY AND NAVY

Mr. TYDINGS. Mr. President, as in executive session, I report from the Committee on the Armed Services certain routine nominations in the Army and the Navy, and I ask unanimous consent for the present consideration of the nominations. They were ordered to be reported by the committee unanimously. No objection has been filed against any of them.

Mr. WHERRY. Mr. President, reserving the right to object, I understand the

request just made by the Senator from Maryland is the usual request which is made in such cases, in order to save a substantial amount of money which would otherwise be spent in printing the names.

Mr. TYDINGS. The Senator from Nebraska is correct.

Mr. WHERRY. Are the nominations or promotions routine in nature?

Mr. TYDINGS. They are.

Mr. WHERRY. And the Armed Services Committee has unanimously approved them?

Mr. TYDINGS. That is correct.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and, without objection, as in executive session, the nominations are confirmed, and the President will be notified.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] on behalf of himself and the Senator from Ohio [Mr. BRICKER].

Mr. CAIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I desire to state with reasonable brevity the reasons why I favor the bill now before the Senate dealing with the general problem of housing, and particularly that section which has raised the greatest controversy, providing for Federal subsidies for low-rent housing throughout the United States.

I have had an interest in this subject since long before I came to the Senate, because of the conditions which existed in my home town. I was interested then in the efforts being made to meet those conditions.

When I first came to the Senate, in 1939, a housing bill of this character was presented to the Senate calling for the appropriation of \$800,000,000 for the construction of low-rent housing. I offered an amendment at that time to reduce the \$800,000,000 to \$400,000,000, and providing for the creation of a committee to study the entire problem of low-rent housing, and particularly the formula which had been adopted for low-rent housing in 1935 or 1936. That amendment was voted down, and I voted for the larger housing bill, which went to the House but was not passed by the House.

When the Committee on Postwar Planning was created and I was made a member of that committee, I became chairman of a subcommittee which undertook a study of the housing problem. I had urged such an investigation in the interval between 1939 and 1944, and we undertook a complete investigation in 1944. We received evidence from all sec-



tions of the country, and from all sides of the problem. We considered many suggestions alternative to that which was finally adopted. The committee completed its work in 1945, and we made a report which I still think is fundamentally sound, although the figures with which we were dealing were different. Costs and incomes at that time were different, but the fundamental problem was the same, and it still remains the same. Nothing substantial has been done to change the situation. The additional houses which have been built since 1940 have been almost but not quite enough to take care of the net number of additional family units which have required additional housing.

In 1945, together with the Senator from New York [Mr. WAGNER] and the Senator from Louisiana [Mr. ELLENDER], I introduced a bill. That bill was considered by the Senate. A similar bill was passed by the Senate in 1947. The bill which is now before us asks the Senate to adopt in general the theory of the bill which we introduced in 1945 and the bill which was passed by the Senate in 1947, but which again was not acted upon by the House of Representatives.

In my opinion the housing situation is one of the most important social and economic problems before the people of the United States. The housing industry is one of the greatest industries in the United States. Last year, without any question of public housing, we spent in private housing approximately \$7,000,000,000 for the construction of additional homes, to say nothing of the repairs and various improvements which had to be made on existing housing. The industry is one of tremendous scope. It has a great effect on the economic condition of the country. It is one of those industries which in the past have gone down to nothing—from 900,000 homes a year to 100,000 homes a year—with all the unemployment and the danger of serious depression which such a condition involves. So from an economic standpoint we are interested in maintaining the stability of the industry. From a social standpoint, I think there is no more serious social problem in the United States than the character of some of the housing we have today, which so far as I can see has not improved in the past 10 years. It has probably grown somewhat worse.

With respect to farm housing, there has been no increase in the rural population of the country. The problem there is one of condition. So far as urban and rural non-farm housing is concerned, we have today approximately 36,000,000 homes. If we deduct the number of summer camps and various structures which are not really permanent homes, we have about 35,000,000 homes.

At the same time there are about 35,000,000 married couples in the United States, and a number of other family units. The estimate is that today about 3,000,000 married couples live with their families and friends, and are, in fact, doubled up. The estimate is that about half those couples want to be doubled up. They want to live with their families for various reasons, and there is no hard-

ship to them. Probably the other one and a half million couples would like to get homes if they could.

So we have a slight shortage in the total number of homes, but I believe it has been somewhat alleviated in 1947 and 1948. I do not think it will present a serious problem in the future so far as the total number is concerned.

That condition is not true in some places. In some places there is a considerable shortage. In many places there is a complete sufficiency.

However, the condition of those 35,000,000 houses is an entirely different question. According to the 1940 census, which was brought up to date in 1947, about 2,700,000 of those homes are in need of major repairs. They have not been kept up and are not being kept up. They have so far deteriorated that they practically require rebuilding. There are other homes in good condition, but with no running water. Those number approximately 2,800,000. In addition, there are homes with running water but with outside toilets to the number of about 2,300,000. So there are approximately 7,000,000 homes of substandard character. I think that is somewhat of an exaggeration, because I believe that, so far as homes without toilets and running water are concerned, a great many of them in the rural sections are perfectly satisfactory homes, and very likely they could not be supplied with such facilities except at very great cost.

The general estimate of those who know is that between 5,000,000 and 6,000,000 homes, for the most part in the cities, but including those in suburban or rural sections which are in need of major repair, are clearly substandard. I suppose half of those are in slums in the cities. They present the most serious social problem in the entire field.

What is the reason for that condition? This is not an exceptional condition. It has not arisen from the war. It has arisen from a long history of construction. The history is worse in the older cities in the East, and in the older cities in the West, such as Cincinnati and Chicago, than it is in newer cities such as Tulsa, Okla. The situation is spotty. Many people who say there is no need of doing anything are thinking of their own communities and are not thinking of conditions in other communities with which they have not come into direct contact.

I think the reason why our system has not provided decent homes arises out of one basic fact, that the cost of housing is too high for the income of the people. If homes could be purchased for half of what they are now being purchased for, I do not believe we would have any slum problem, or any serious problem of housing—certainly not one which would require the construction of public housing, even though we might have to provide relief to people with very low incomes in order to enable them to buy the shelter which would then be available.

Today in most sections of the United States, including the West, it is very difficult to build a four-room house for less than \$7,000. Perhaps in the South, and in the case of houses without basements

or houses of a temporary character the construction costs are less. Experiments are being made and it is thought that perhaps the \$7,000 figure can be brought down to \$6,500 or \$6,000. Cheaper houses—those having one or two rooms—are built, but such houses can hardly provide a permanent solution to the family problem.

The market for new houses therefore is very much restricted. A family would have to have an income of approximately \$3,000 a year in order to be able to live in a \$7,000 house; and some 45 percent of all the families in the United States have incomes of less than \$3,000 a year. So those families at least are unable to buy new houses, with some exceptions of course. They may be able, in one way or another, to get a house; they may buy a house in which they cannot afford to live, and which they lose rather soon, when they are unable to make the payments. But, roughly speaking, of the 35,000,000 families in the United States, approximately 20,000,000 of them can buy new houses, and the remaining 15,000,000 families are unable to afford new houses. In short, the market for new houses is restricted to that extent.

That was the trouble in 1926; at that time we reached a figure of 900,000 new homes; and then, long before the depression of 1929 commenced, the construction of houses fell off very rapidly indeed because the market began to disappear. Everyone who had enough money to buy a house had bought one, and there was not the general market which there is for food and various articles of a small type which are available to all families who have any income at all.

The FHA mortgage records show that my figure of \$7,000, as a minimum figure for a four-room house, is not entirely correct; approximately 21 percent of new houses, some perhaps smaller houses, or built in certain sections of the country have been sold for less than \$7,000. Thirty-seven percent of the old houses sold, sell for less than \$7,000. Houses deteriorate and depreciate in value somewhat, so that in one way or another the 15,000,000 families do acquire houses or are able to rent houses. But of those who have been able to buy new houses, only 13 percent have incomes of less than \$3,000. As a general proposition, families having under \$3,000 incomes—and half of the population have incomes of less than \$3,000—are not able to buy new houses. Thirteen percent of them were able to do so. Only 17 percent of those who buy old houses have incomes of less than \$3,000.

Of the newly married couples, we find, after allowing for all the figures I have mentioned, that at least 175,000 of them every year are unable to buy either old houses or new houses, and so they are faced with the necessity of living with their families or with making some other arrangement.

The answer, of course, is that those who cannot afford to live in new houses can live in old ones; and there is a kind of hand-me-down process which works to a certain extent. An old house deteriorates a little, and sells or rents for a



little less than it formerly did, and gradually such houses come down in value, until they are available to families of lower incomes; and in the last analysis, practically everyone in the United States does have a shelter, a house in which to live; but millions of such houses are a disgrace to America.

Twenty-two percent of all families, or more than 7,000,000 families, have incomes of not more than \$2,000 a year. The amount of rent which they can pay is so low that by the time they get houses the rent they are able to pay is hardly sufficient to keep up the houses. There has been some talk about the wickedness of landlords. I do not believe much money is ever made out of slum housing, because such houses are used by people who simply cannot afford to pay even a reasonable rent, and the rent which is paid is so low that no landlord is able to pay the taxes and keep the buildings in reasonably good condition. So they deteriorate, and degenerate into slums.

More than 4,000,000 tenant families pay rent of less than \$20 a month, and on \$20 a month rent I do not think any landlord can keep a house in even reasonably decent condition, certainly not if it has any plumbing in it.

Roughly speaking, the 4,000,000 lowest-income families have gradually gravitated to the 4,000,000 least desirable, substandard dwellings. It has been suggested that all we have to do is to tell the cities to tear down those buildings. But then we would be faced with the problem of finding houses in which those people would be able to live. In the first place, as of today, there are no houses for them to move into, and no private person can afford to build for them. In the second place, if there were 4,000,000 houses waiting for them to move into, after they continued to pay \$20 a month rent for any considerable period of time, those houses also would deteriorate into slums. That has happened for years. The lower-income families gradually move into the poorer dwellings, and pay the lower rents, and those buildings deteriorate into slums. That is the way the matter has worked out. I see no reason to believe that it will work otherwise unless we can reduce the cost of housing at least one-third or perhaps one-half. In short, the way the situation has worked out has simply been that one slum has been replaced with another, and undoubtedly that will continue to occur unless we are able to do something to meet the problem at the bottom of the income scale.

So, Mr. President, I do think the fundamental cure is to be found in reducing construction costs, and certainly everything that can be done in that respect should be done. That is what the research provisions of this bill are intended for. That is what I think the industry today has worked hard to try to achieve. We passed a special bill giving advances of capital to anyone who would build the cheapest types of houses, as against those who wish to build more expensive houses. The cost of construction can be reduced. I think it is being reduced a little, not at the present moment by a reduction in the cost of mate-

rials or labor, but by the fact that materials and labor have become more generally available, and therefore a contractor can organize his work better and can build the house quicker, and thus can reduce the total cost to him of building the house. Many persons are concerned with changing the building-code provisions which have excessive requirements, and many of them have requirements which are out of date.

We still face the problem, in some way or other, of trying to reduce the cost of labor and the cost of materials. Materials usually have been subject, I believe, to a good deal of monopoly control. I think that can and should be broken down. In any event, even if we can reduce the cost, that process will take time.

But I see no reason to believe that the job is not a long-term one. Today, prefabricated housing is just about as expensive as housing built in the ordinary way. In some ways prefabricated housing is better, but it has not succeeded in reducing the cost of housing.

I think we must assume that the present cost condition will continue. I hope we may gradually solve that problem, so that we will not have to go on with public housing; but in the meantime I know of no other method of meeting the problem of low-income families, except by starting at the bottom and replacing existing slums with permanent buildings; and subsidizing the rentals sufficiently so that those buildings will not deteriorate, but will be kept up, and will not themselves become slums.

In 1945 our committee explored other means of subsidy. We explored the method of subsidizing private owners. The difficulty is that if that is attempted, it is necessary to impose so many restrictions—for instance, restrictions as to those to whom the owners can rent, and what they can charge, and so forth—that, so far as I can see, no private owner would go into business on such a basis. Limited-dividend corporations have built medium-rent buildings. But that means an economic rent, without subsidy, and such companies do not find it easy today to get the capital even to go into such rental housing. The lower-income groups, of course, could be taken care of with rent-relief certificates; but the difficulty is that nobody would build any new houses on the chance that, 5 years from now, somebody would continue to issue a great many rent-relief certificates. It would not be known whether the city would continue that policy or not. There could be no assurance, such as there is in the pending bill, that a subsidy would definitely continue for 40 years, so that the money invested would ultimately be returned.

The general theory of subsidizing low-income groups is not a new theory in Anglo-Saxon political life or Anglo-Saxon economic life. The general theory that the Government has a duty to assist the lowest-income groups has been accepted in England for centuries; it is accepted today. It is accepted in every State of the Union, and it does not involve any departure in principle from that which we have pursued during the 150 years of the life of the Republic. We have tried

different methods of accomplishing the result. We have had poorhouses. We have county homes in nearly every county of the United States to look after those who cannot take care of themselves. Every city in the country provides free hospitals and free medical care. Every city and every township recognizes the obligation to provide food-relief and to provide clothing relief for those who have no other means of obtaining the absolute necessities of life. I think all of us acknowledge the duty of the community to take care of those who are unable to take care of themselves. That duty has been taught by every community chest in the United States. The American people are a charitable and humane people, and they do not want to see hardship and poverty in the midst of plenty.

In my opinion, the free-enterprise system, without question, brings about greater production and a higher standard of living, than any other system in the world. Under socialism everybody is supposed to get the same. I do not think anybody ever worked out a socialistic system to do it, but that is the theory—everybody gets the same; and the result is that there is no incentive to people to work, no incentive to people to do better than others, and the dead-level production of socialism is, therefore, very much less than that of the free-enterprise system. But the free-enterprise system is based on incentive. It is based, and must be based, on paying people in full for the services they render, and no more, the value of their services to the community in dollars. There are a certain number of people who cannot work. There are a certain number of people who perhaps are unable to work, and others who cannot get work. There are people who have physical disabilities. There are people who perhaps through their own stupidity or inability or laziness are unable to get enough money to provide a decent living for their families. Perhaps we do not care about them so much; but most of them have families, and we do have an interest, I think, in providing equal opportunity for all the children of the families who are brought into being in the United States.

And so, under our system, inevitably we are bound to have a disparity of income. The system is based on a disparity of rewards and income, and at the bottom of the scale there will always be found a certain number of people who do not earn enough, through their own fault or through their own misfortune, or who perhaps earn nothing, to provide themselves and their families with a reasonably decent economic living, including the absolute necessities of life. Those are primarily, of course, particularly when dealing with the question of equality of opportunity for the children, food, clothing, shelter, medical care, and education. We socialized education 100 years ago in the United States, and we undertake to provide it free for all children. With respect to the other three services, we have strictly maintained the general policy of taking care of those who cannot take care of themselves. The job has not been completely done. There are many gaps in it.



After all, the States, the counties, and the cities have certain things they have to do, which came into Government long before the demand for welfare services. They must have a police force and a fire department. They must maintain courts. They must maintain the streets. The welfare services are rather tacked on the end. Where there is a shortage of money, they do not do that welfare job as completely as they recognize their obligation to do it. Then, there are a good many poor States and a good many poor cities that cannot live up to their welfare obligations, simply because of their financial ability. So I believe that a Federal policy of welfare service is justified to the point of assisting the States to see that that job is well and systematically done, and that the field is properly covered.

I believe the American people are sold on the theory that now for the first time perhaps in history we have sufficient production and a standard of living sufficiently high so that we can practically abolish hardship and poverty in their extreme forms in the United States, as they have never been abolished elsewhere. That is the general purpose of the various welfare programs. Of course, under the Constitution, the obligation is primarily that of the States and local communities. But I believe the Federal Government itself has an interest in making it at least possible that all the States and local governments have the means by which they can do the job, the obligation of which is recognized, and which the American people want to see done. I think the American people have an interest, whether they live in Ohio or somewhere else, in seeing the job done in all the other States of the United States. Their interest is not solely that of taking care of the people in their own community.

Of course, this requires a tax on the other four-fifths of the people—perhaps the other three-fifths of the people—to pay most of the taxes. But I believe those people are willing to pay the tax in order to accomplish the purpose of seeing that we no longer have any serious problem of hardship and poverty in the United States, and that the children of all the families in the United States have an equal opportunity, or a substantially equal opportunity, to get started in life, and, if they have the abilities, to make use of them to the full extent they can, so that the United States may remain a country of free opportunity.

Why is the Federal Government involved? After all, the only departure we are asking in the case of the pending bill, and in the case of certain other legislation, is that of involving the Federal Government in these problems, which, under the Constitution, rest primarily on the States and local governments.

In the first place, the States and local governments have a very restricted power of taxation. I served in the Ohio Legislature for 8 years. It is very difficult for a State to tax the lucrative sources of revenue. The State cannot put a very high tax on personal incomes, or upon incomes from securities, or a tax on securities, which is about the same

thing. A tax cannot be levied in one State that is higher than the tax which the State across the river imposes. If a State imposes too high an income tax, many of its citizens can go to Florida or other jurisdictions where no income taxes are imposed. So the State is limited very much in its ability to reach the great source of personal incomes.

The State cannot tax corporations very heavily. We had that problem in Ohio. We had the problem of taxing corporate plants in Ohio—steel plants, perhaps, located in the northwestern section of the State. We also had the problem of how heavily we could tax the machinery in the plant. It happens that Pennsylvania does not tax the personal property of manufacturing companies; consequently, the moment we imposed any considerable tax on the personal property of corporations, such as steel companies, every new steel plant that was built in the Youngstown-Pittsburgh region would be put on the Pennsylvania side of the line. States are necessarily limited in their power to reach the lucrative sources of taxation, and while there are some sources the Federal Government does leave to the States, I do not think they amount to a great deal in dollars.

The result, of course, is shown by the fact that the States and local governments together, exercising all their ingenuity in finding new taxes, have succeeded in raising this year approximately \$14,000,000,000, whereas the Federal Government is raising \$42,000,000,000, three times the amount raised by the States. Consequently, the question is, Can the States, with the amount of money they have, do this job? If I am correct in thinking the people want health, welfare, and education taken care of, I do not believe it can be done, together with all other necessary State and local services, within \$14,000,000,000. I do not agree that our municipalities have any extra money. In fact, in every State of the Union, they are facing a very severe financial problem during the next few years, because their costs have increased. They have had to double the salary of all their personnel, as we have had to do. They are back where they were; they are back where most of their money has to be used for the absolutely essential things in which they have become involved. So, when it is sought to expand and make more complete welfare services, we find that most of the cities do not have the necessary money.

The average income per person in the State of Mississippi is approximately one-third the average income per person in New York and Connecticut. When we get below the average condition, we find States which are wholly unable to provide the money even for education, which has been a recognized and well-financed State activity for a hundred years. Certainly, when we get into any of the new fields of housing and health, we find their contribution has become very difficult and, in many respects, very limited.

That is the main justification for bringing the Federal Government into the problem. I think it has definitely a secondary responsibility, and I believe it

should be performed along the general lines of the program which is now before the Senate.

I quite recognize that there is a serious danger in undertaking such relief. There is the danger, of course, that if we give people something for nothing, they gradually come to think they are entitled to more, and more and more persons want it. I realize the danger of expanding into a general socialistic state in which the Government provides everything for everyone. But I do not believe that danger justifies the Federal Government in saying, "We have no concern with the problem." I do not believe it justifies the Federal Government in saying to the States, "You do it if you can; we do not care what may happen. We are concerned with national matters, and we are afraid that if we get into it we might go too far." I think we should go as far as we properly can go on sound principle, and stand at that point.

I believe the principles on which the program should be adopted are perfectly definite. I think three definite limitations are required if the Federal Government is to assist States to do the job, which is primarily a State job. In the first place, the administration of the program must be not only taken charge of by the States, but the States must be left almost entirely independent in carrying it out, with as wide latitude as is possible to choose one method or another to obtain the ultimate result. I think the danger of centralization of power in the Federal Government is the greatest single danger we face in going into this problem. The constant tendency to centralize things in Washington and to have some Federal officer tell persons in local communities what they must do and how to do it is perhaps the greatest threat to the continuation of a free republic and a free people. If we are to have freedom, I know of nothing more necessary than to have freedom of local communities, so that the people who grow up in those communities may have a voice in deciding how they are to live and what kind of principles shall be adopted.

In the case of the WPA, if the communities in each State had done their job and had had the administration of the program, there would not have been all the leaf-raking projects and other things which aroused the resentment and criticism of the people of the Nation. The communities knew those who needed to have work. Our failure in that particular program was due to the fact that we tried to run the whole show from Washington. The fact that the States did not have the necessary income to take care of the matter was very clearly shown in the relief crisis of the 1930's. It was their function to take care of unemployment, but it was perfectly obvious that they were billions of dollars short, and they could not possibly deal with the problem at that time. But we made the mistake of bringing the Federal Government in to do the job; and all the scandals which arose out of WPA were due to that fact.

So I say the fundamental principle should be that we provide the money according to certain defined principles, and the State should have complete power to



carry out the program so long as there is compliance with the statutory principle. No Federal official should have the power to go to a State and direct what it must do, and say, "You have got to do it this way, or you will not get your money next month." Whatever restrictions may be necessary I think should be as simple as possible and should be laid down in the statute enacted by Congress.

Unfortunately, in housing the Federal Government originally imposed its program on the States. It is true that with respect to housing, the States, with the exception of New York and some others, have done very little. But in this bill we provide that no contract shall be made with respect to any low-rent housing project unless the governing body of the locality involved has entered into an agreement with the public-housing agency providing for local cooperation. The city council must approve housing in any city. Furthermore, the contract is with a metropolitan housing authority, which is not a creature of the Federal Government, but is created under the laws of the particular State. If the State does not choose to create any metropolitan housing authority or to provide any other method of taking advantage of Federal assistance, there can be no Federal assistance. This program has been too much regarded as a Federal project, because the Federal Government does put up a greater percentage of the money, but in law and in theory, and in practice if the projects work out properly, there will be local control, the authorities complying with perfectly definite Federal standards, and not subject to Federal direction.

So the first principle, I believe, must be the retention of control by the States and local communities.

In the second place, I believe the programs must be confined to those who cannot pay their own way. I do not think the Federal Government should undertake to give people anything when they are perfectly able to buy it themselves.

On page 25 of the bill it is definitely provided that the public-housing agency must demonstrate to the satisfaction of the Authority "that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing—through new construction and available existing structures—a substantial supply of decent, safe, and sanitary housing."

In other words, if a man is within 20 percent of being able to rent an existing home in reasonably decent condition, he is not eligible for admission into a public-housing project. It has been proposed that we place a definite limitation on income of the persons who may be assisted in public housing. We have considered that for the last 4 or 5 years, and the difficulty has been that it is very hard to get a sliding scale. The incomes in different parts of the country vary so much, from New York to Texas, or to other parts in the South where houses are cheaper, that it is very difficult to

set any figure, or even find a population formula on which to figure. I do not see any objection to the formula in the bill. It seems to me it confines the relief to people who cannot possibly get other housing. It may be said that it will not be carried out. If there is evidence of that, I should be willing to make further provision.

I notice that the real estate board of the city of New York has come out in favor of public housing, as I think all real-estate boards should. I think the real-estate people should realize that there is no competition involved in public housing, that the people who are moving into public housing cannot possibly rent any except the very oldest and cheapest types of houses, and are not prospective tenants for any of the new or higher-priced houses. The New York Real Estate Board has recognized that condition in New York. They say they recognize the need for a limited amount of low-rent public housing in New York City, with various provisos. It will be available only for families in the lowest-income group, which in New York will be limited to families whose income will not permit them to pay a rental in excess of \$30 a month.

The New York Real Estate Board thus recognizes that in New York it would be perfectly satisfactory to have an \$1,800 income limit, below which tenants will not be admitted. The amendment here proposes \$1,500. I think the formula in the bill relating to that matter would work out very close, as far as I can get the figures, to \$1,800 in the city of New York. I believe the sliding scale in the bill is satisfactory.

Mr. McCARTHY. Mr. President—

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. TAFT. I yield.

Mr. McCARTHY. I did not care to interrupt the Senator at this time, but I have to leave the floor shortly, and I should like to get the Senator's thought, not on one question, but on three.

There is a research section in the bill, in which I believe the Senator from Ohio is very much interested, which I believe he fathered in 1945. There is a serious question in my mind whether this will be efficiently operated unless we provide for a sufficiently high salary so that the HHFA Administrator can get a really competent man. I wonder if the Senator would seriously object to an amendment, perhaps not bringing this office up to the same status with the FHA, but at least to some intermediate status, so that if and when the pay bill is passed, this administrator would be receiving in the neighborhood of \$14,000 or \$15,000. Otherwise, I doubt if we will get a competent man in the position.

Mr. TAFT. I have no very strong views one way or the other on the question the Senator propounds, and I have no responsibility or power to accept amendments. If the Senator asks whether I would vote for such an amendment, I should be very glad to examine the Senator's amendment. I do not care

to commit myself at the moment because I have not studied the problem recently.

Mr. McCARTHY. Second, there is one farm provision which disturbs me very much, though not the first or second section. The first deals with farms which are self-supporting, and provides for loans to farmers, which I think is a good provision. The second provides for loans to a farmer who is living on a farm which is not presently self-supporting, but which can be made self-supporting. The third deals with grants to a farmer living on a farm which the Secretary of Agriculture has found will never support the farmer and his family. It provides for grants to keep a farmer on such a submarginal farm. I wonder if the Senator would agree with me that for a number of reasons that is a bad section.

Mr. TAFT. The Senator does not need to argue with me, because I have prepared an amendment which the Senator will find on his desk, to strike all that out. My feeling is that the provision does not provide a solution of the farm problem, and I think it would in the end result in the creation of more slum houses, rather than in their elimination.

Mr. McCARTHY. I should like to ask my third question if the Senator will turn to page 27 of the bill. This is something about which I want the Senator's opinion in view of his legal background. Will the Senator tell me what he understands by the language in line 21 "at specified rents"? I am particularly concerned with this question: Does not that language in effect defeat what otherwise seems to be the obvious purpose of the section, starting in line 20, allegedly the purpose of providing that to persons having the greatest housing need shall be given priority in a public-housing unit. I am concerned with what I think is trick language, because it seems to me it completely defeats what seems to be the obvious purpose of the committee amendment.

Mr. TAFT. When the Senator brought that matter up yesterday I read the provision, and it seemed to me to be quite ambiguous, and it appears to me the section would be clearer if that language were eliminated.

Mr. McCARTHY. I am submitting an amendment to that effect.

Mr. TAFT. Mr. President, I wish to reiterate the conditions which I think should attach to this program and attach to other public welfare programs.

Mr. BRICKER. Mr. President, will the Senator yield? I wish to ask one question about the agricultural section, which was brought up by the Senator from Wisconsin.

Mr. TAFT. I was not dealing with the agricultural section. I have an amendment to the agricultural section which I shall offer later. I should rather deal with it at the time it is offered, if I may. I do not think an adequate study has been given to the farm housing problem in general.

Mr. BRICKER. I was going to ask about that section, but I shall bring up the matter later.



Mr. TAFT. First, Mr. President, the administration must remain with the States and local governments. Second, we must confine the aid to those who cannot pay their own way. Third, the cost must not be too great, because it must be paid by the other four-fifths of the population who are earning their own way, and should not be discouraged.

The clear difference between the program proposed and what might be called a welfare-state program is shown by the Truman proposal for national compulsory health insurance—so-called insurance. It is not insurance. It is a proposal that the Federal Government tax all the people to pay all the doctors to give free medical services to every citizen. It would violate the principle of State administration, because the whole program would be administered by a bureau in Washington. It would violate the principle of giving aid only to those who were unable to pay for it, because it would give free medical care to everybody. If we extended the same principle to food and clothing and shelter, we would have a completely socialized state. I think the real distinction between the program that is proposed here and the one proposed in the other measure is shown by contrasting it with the proposal for socializing the medical profession, which violates every one of the principles I have mentioned. The program would cost this Government, on the basis of what it has cost England, closer to seven or eight billion dollars than the two or three billion dollars talked about.

I only mention that at this point to call attention to the fact that if we do not want that kind of program, we must adhere, in the welfare programs, to the principle of state administration and control, as I think we do in the proposal of the Senator from New Jersey [Mr. SMITH], the Senator from Missouri [Mr. DONNELL] and myself and other Senators, of giving subsidies or assistance only to those who cannot themselves pay. Further, we must not put the minimum floor so high that the cost will be burdensome on the other members of the population.

It is said we should not extend Federal expenditures in any way. I am willing to economize, I am willing to cut down the scope of any program, but I do not believe that merely because of the tremendous burden of the foreign program, we should entirely eliminate what should be done in the United States.

The budget contains about \$237,000,000 for housing in the fiscal year 1950. In my opinion that is much more than can possibly be spent in the next fiscal year.

I doubt if any more than \$100,000,000 will actually be expended during the fiscal year 1950. The total cost of this program, over 5 or 6 years, is estimated to be about \$500,000,000 for redevelopment, and about \$750,000,000 for subsidies, recognizing the fact that the program will increase gradually, and that probably 2 years will be required even to complete the first of the public housing projects. So there would be an average of about \$250,000,000 net a year for the cost of the entire bill during the 5 or 6 years. I would estimate the cost to be about \$100,000,000 during the first year.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHOEPEL in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. TAFT. I yield.

Mr. McCLELLAN. I have listened with great interest to the discussion of this measure by the Senator from Ohio. I have been waiting for an appropriate time to arrive to inquire of the Senator the full extent of obligations the measure incurs. Since he has reached the point now where he is discussing the anticipated expenditures to be made under the bill for the next 4 or 5 years, I should like to ask the distinguished Senator from Ohio, whose judgment I respect very highly, and who I know has given a considerable amount of thought to the proposed program: What is the total maximum obligation we are incurring—not what may be spent or may not be spent—but what is the total obligation we are incurring on the part of the Federal Government by title I of the bill for the next 4 years, or through July 1, 1953?

Mr. TAFT. Title I, dealing with urban redevelopment, as I read it, authorizes \$1,000,000,000 in loans and \$500,000,000 in grants. The \$1,000,000,000 should be paid back, I should think, in all cases, within 5 years from the time it is loaned. So I should say that the net cost to the Government would be \$500,000,000, so far as the program goes. As a matter of fact, I think it should be recognized that if the program is a success—and it is an experiment; I do not know how this plan of cities buying up property and redeveloping will work—the \$500,000,000 will not go very far, but we can see, after we get through, whether it has apparently been worth while or not. That ends that obligation so far as title I is concerned.

Mr. McCLELLAN. Let me ask the Senator a further question. As I understand, the Senator concedes that title I authorizes the issuance of indebtedness to the amount of \$1,000,000,000 during that period, through July 1, 1953. Is that correct?

Mr. TAFT. That is correct.

Mr. McCLELLAN. Then, in addition to that, does it not authorize as a maximum \$1,000,000,000 in contributions or grants during the same period?

Mr. TAFT. Five hundred million dollars, as I have arrived at the figure.

Mr. McCLELLAN. Five hundred million dollars; but the bill provides, on page 10, that the President may increase that sum another \$500,000,000 in making certain determinations?

Mr. TAFT. No. I thought the President's determinations related only to 1 year.

Mr. McCLELLAN. I read from lines 14, 15, and 16 on page 10:

And any such authorized increase therein may be increased, at any time or times, by not to exceed in any fiscal year an additional \$100,000,000.

Mr. TAFT. Yes; but subject to the total authorization of not to exceed \$500,000,000.

Mr. McCLELLAN. The Senator thinks it is made subject to that?

Mr. TAFT. Yes; that is my understanding of it, certainly.

Mr. McCLELLAN. I am trying to clarify the situation. That would make then the total authorization under title I at present, as we begin the program, of \$1,500,000,000? Is that correct? That is the initial obligation the Federal Government is assuming, of course, with the anticipation that the money loaned would ultimately be repaid?

Mr. TAFT. The Government is bound to get back \$500,000,000, because it gives it to the cities to enable them to give it back to the Government. I mean that in effect the bill says the Government loans \$1,000,000,000 to the cities and they can keep \$500,000,000 of it. That is what it amounts to. So the net cost is \$500,000,000. I doubt if the Government will ever have outstanding more than that amount.

Mr. McCLELLAN. I do not follow the Senator. If we give it to them to give it back to us, what is the sense in the first place?

Mr. TAFT. Let us say a city buys a considerable amount of property. The Government gives it the money with which to buy that property. Then the city turns around and sells that property. The city may sell the property to itself, or it may sell the property to the county or the school district or to private parties. Then the city pays the proceeds back to the Government. But the Government, in this total program, permits the retention of \$500,000,000 of what has been paid out by the Government. The municipalities which have purchased such properties will probably not sell the properties for more than \$500,000,000. They pay the Government back what they get out of it. The Government is financing a turn-over operation, and the Government says it will pay two-thirds of the net cost of that operation, not to exceed altogether \$500,000,000.

Mr. McCLELLAN. Let us turn to title II. I ask the Senator, What is the total obligation the Federal Government is incurring under title II of the bill during the same period of time?

Mr. TAFT. The same power is also contained in title II to loan money, although I do not believe it is spelled out, but I think the power is carried over from the previous act. The lending feature is not very important. All such money loaned in the past has been paid back. The metropolitan housing authorities can borrow money from the public, and are not likely to borrow it from the United States. So far as the bill is concerned, it authorizes a total subsidy of not to exceed \$308,000,000 a year for 40 years.

Mr. McCLELLAN. In grants?

Mr. TAFT. In grants, in subsidies, for low-income families.

Mr. McCLELLAN. But title II does authorize the incurrence of an indebtedness through the issuance of bonds, to the amount of one and a half billion dollars, does it not?

Mr. TAFT. I did not see any figure. I read the language rather hastily. Under title II, there is certainly authority to lend money, though the housing authorities are not likely to request the exercise of that authority, because, as I have said, the history of such matters has



been that the metropolitan housing authorities can borrow the money cheaper in the markets than they can secure it from the Federal Government.

Mr. McCLELLAN. We are providing in the bill that they are to get it from the Federal Government at the current rates.

Mr. TAFT. Where is that language, I ask the Senator?

Mr. McCLELLAN. On page 37.

Mr. TAFT. That is correct.

Mr. McCLELLAN. What I am trying to ascertain, I may say to the Senator from Ohio, is the maximum obligation the Federal Government is incurring initially by the enactment of this legislation, over the 4-year period which is specifically specified in the bill with reference to the amounts that are authorized during that period. That is what I am trying to determine.

Mr. TAFT. The loans, in the first place, are perfectly good. Heretofore such loans have all been paid. There has never been any trouble respecting such loans. The housing authorities can obtain loans on the market at a cheaper rate than they can obtain them from the Federal Government. So I tried to persuade the sponsors of the bill to leave out the loan provision altogether, because, I do not think there is any chance in the world that it will be used.

Mr. McCLELLAN. The Senator means we will not have to lend any money for the construction of the projects?

Mr. TAFT. I do not think we will have to lend the housing authorities a dollar. I do not want to avoid the issue. In effect we finance the bonds they issue through the agreement to give them \$308,000,000, or some lesser sum, a year, for some 40 years. These bonds are sold, in effect, on the guaranty of the Federal Government to pay this subsidy during those years. That is the basis for the construction.

The total the metropolitan housing authorities may have to borrow is somewhat difficult to estimate, but I think it might amount to as much as \$8,000,000,000. Assuming that the cost is \$10,000 per family unit, and about 800,000 units are constructed, the total cost would be about \$8,000,000,000. The housing authorities themselves are obliged to put up some of the money—10 percent. So something like \$7,000,000,000 would be borrowed. The money is borrowed very largely on a contract with the Federal Government that it will subsidize the rents of the particular housing projects for 40 years. The total involved is not to exceed \$308,000,000 a year. That, roughly speaking, is the difference between what the authorities can get from the low rent and the actual cost of paying interest, sinking fund, and operation of the buildings.

Mr. McCLELLAN. Let me ask the Senator another question. Does not the bill authorize the Authority, which is the Federal Housing Authority, as I interpret it, to issue obligations which the Treasury must purchase, in the amount of \$1,500,000,000?

Mr. TAFT. It is not required to purchase them. The Treasury may make contracts to lend up to some figure. I do

not see any figure of one and a half billion mentioned here, but I am willing to take the Senator's word for that.

Mr. McCLELLAN. In return for that lending, the Authority issues bonds to the Treasury Department.

Mr. TAFT. They have not done it, and I do not think they will ever do it. However the authority is there.

Mr. McCLELLAN. That is what I mean. The authority is in the bill.

Mr. TAFT. The practical method is that they sell their bonds to the public, and they sell them as municipal, tax-free bonds. They can sell them at less than 2 percent. All the recent public housing buildings have been financed in that way, not by money of the Federal Government. Today I do not believe the Federal Government holds, under the previous law, any bonds whatever of the metropolitan housing authorities. They have all been refinanced and sold to the public. I do not regard that feature as important. It may amount to \$1,500,000,000, but if so, it is a perfectly sound loan which will be paid off shortly.

Mr. McCLELLAN. But the authority is there.

Mr. TAFT. The authority is there for some figure. I do not know where the figure of \$1,500,000,000 appears.

Mr. McCLELLAN. It is on page 37.

Mr. TAFT. That is correct.

Mr. McCLELLAN. I am trying to get information on this subject. The Senator states that the grants authorized under title II cannot exceed \$308,000,000 per annum.

Mr. TAFT. Yes. I might add at this point that that is the total authorization. A contract is made on a particular public housing project for a grant which, we will say, shall not exceed \$1,000,000 a year for subsidies. Up to date the history has been—I doubt whether it will be quite so favorable in the future—that only a proportion of that subsidy has been called for. However, I think we must contemplate the possibility of having to pay it all.

Mr. McCLELLAN. If I correctly interpret the provisions of the bill, title IV authorizes \$250,000,000 for loans, and only \$12,500,000 for grants during the 4-year period. That is in connection with the farm housing program. Is that the Senator's understanding of the obligation which would be incurred under title IV?

Mr. TAFT. Yes. In connection with section 403, which provides loans for housing and buildings on potentially adequate farms, a subsidy is authorized for 10 years, until they are made self-supporting. There is a total possibility of \$5,000,000. Under section 404, which is the section with respect to which I have an amendment to strike out, the grants may amount to \$12,500,000. Those commitments are not beyond 10 years, as contrasted with the 40 years with respect to city housing.

Mr. McCLELLAN. I thank the Senator. I have been trying to understand how much in the way of additional obligations we are placing upon the Federal Government by the enactment of this bill, to be met in the next few years. The Senator says the money will not be used, that it will not be necessary; but I am

talking about the authorization. According to my interpretation of the figures in this bill under the titles to which I have referred, the total obligation could reach \$5,000,000,000-plus over a period of 4 years.

Mr. TAFT. I do not admit the strength of the Senator's argument. So far as the loans are concerned, they are loans that are to be repaid. There is no question about their being repaid, and I do not recognize that as any serious problem to the Federal Government.

In my opinion, the cost of the program which we must contemplate is approximately \$325,000,000 a year added to the budget, as a maximum, at the end of 5 years. I think we must contemplate that as the possible cost of this program.

Of course, I feel that today the United States is spending too much money. We are spending \$42,000,000,000. We are spending \$5,580,000,000 in the ECA appropriation. Altogether, we are spending about \$7,000,000,000 abroad. The ECA appropriation is, in effect, in part to conduct a housing program in Great Britain. Without any question they are building public housing. It is a part of their program. Of course, as part of their whole capital construction program it is financed by the money which we advance the British. I do not believe we should say that we are to do that to the exclusion of what we ought to do in this country.

Suppose this program costs \$325,000,000 a year for 5 years. It will not cost that much. Suppose aid to education costs \$300,000,000 a year. Suppose the health program costs three or four hundred million a year. If we thus spend \$1,000,000,000 for public welfare, I should say that in any reasonable comparison of the importance of the subject, and in any reasonable comparison of what we ought to spend, that is a very small contribution to make to a program in which I believe we should be vitally interested. I think it is more important than public works. The budget calls for more than \$3,000,000,000 this year alone, for public works. If we are to contrast this program with the general public-works program, I should say that during the 5 or 6 years while this program is in progress we would spend between \$25,000,000,000 and \$30,000,000,000 on public works in the United States.

I say that the provision of welfare aid for people whose living conditions are below standard, and to afford equal opportunity to children, is infinitely more important than would be indicated by the comparison of \$5,000,000,000 for 5 years and \$25,000,000,000 for public works for 5 years, to say nothing of what we are spending abroad.

I believe that we must economize. However, I believe that we must consider the entire program. I do not believe that we can cut out one thing entirely and say that we are not concerned with it, that we recognize its importance, but because it happens to be new we will not enter into it. It seems to me that we ought to consider all the things we ought to do, and scale them all down. I am trying to scale down the number of



houses which can be built in a single year under this program. One of my amendments would reduce the 250,000 units a year which the President might authorize under the bill as it is, to 175,000. I think it is fair to say that we must do each of these things on a reasonable economic basis. We cannot go beyond a certain total. However, it seems to me that there is no argument for entirely eliminating the programs for housing, health, and education simply because we are foolish enough to spend as much as \$7,000,000,000 to help foreign countries and are refusing for the moment to reduce it. I hope we may reduce the amount before we are through.

Public works are more popular than this type of program. We are afraid to cut the appropriations for public works. This program deals in intangibles—assistance to people who are so poor that they cannot provide for themselves. So while the program has a certain popularity, it has not the local appeal or the force behind it which a public works program has. Yet I think it is infinitely the more important.

Mr. McCLELLAN. I should like to make this comment: I think the Senator knows that I share his views regarding foreign spending. I voted for the Senator's amendment to reduce the authorization for that purpose. My only objection to the Senator's amendment was that it did not propose a sufficient reduction.

I am not saying that that program is not needed abroad, or that the objectives are not worth while, or that they do not merit our support and our effort to try to rehabilitate countries abroad. But at that time I was doing just what the Senator from Ohio says he is doing now, namely, trying to measure our ability to carry on these programs and finance them and meet the obligations we incur and provide an equitable distribution of our financial means to our various needs—this program and others which are vitally needed—and not exclude one or discriminate against one to the advantage of another.

Mr. President, I think there is great danger that the Federal Government may continue to incur or accept obligations which will be continuous, going on year after year, so that we shall have to appropriate for them indefinitely; and by that means, as we take on new obligations, we shall continuously raise the cost of government, so that ultimately the cost, under our various obligations, will become so great that we shall not have sufficient productive capacity to maintain it. Then, when a crash comes, in my opinion, Mr. President, instead of having a few slum areas, as we may have now in the United States, and instead of being able to eliminate slum areas, we shall simply be creating more slum areas, rather than less. Certainly that is what will happen if we do not guard the financial ability of the country to meet the financial obligations we incur, with the result that we incur greater obligations than the Government can meet and the taxpayers can support.

Mr. TAFT. Mr. President, let me restate my position on this matter: Let us determine what we can afford to pay

in taxes. Perhaps it is \$36,000,000,000. If that is the total, I am quite willing to advance housing as a reasonable claimant to \$300,000,000 out of the \$36,000,000,000. I do not see why it should be entirely eliminated, why we should hesitate to undertake anything in respect to housing, simply because we are spending too much on a number of other things. I think the matter is relative.

I maintain very strongly that the figure carried in this bill is not excessive, when dealing with one of the greatest problems the Nation has.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Oregon.

Mr. CORDON. I have been examining the definitions contained in the bill. Incidentally, let me say that I have not had opportunity to study the bill as carefully as I should like to, for I am a member of various subcommittees of the Appropriations Committee, and several of them are meeting at almost every hour of the day. But from my limited examination of the bill, I have not been able to find in it a definition of the term "low-income person" or "low-income group"; I have not been able to find in the bill any yardstick with which to measure them. Is there such in the bill?

Mr. TAFT. The yardstick is to be found on page 25:

The Authority shall not make any contract for loans—

And so forth, going down to line 19, as follows—

unless the public housing agency—

That is the local public housing authority—

has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

What it would come to is this: Suppose old-style private housing in a city is available at, let us say, \$30 a month rent. The Authority would take off 20 percent, which would bring the figure down to \$24 a month. In other parts of the bill, as I recall, it is stated that the person who receives such assistance is assumed to be able to pay not more than 20 percent of his income for rent. Consequently, if he has to pay \$24 a month as rent, his monthly income could not be over \$120, which would make his yearly income \$1,440.

Mr. CORDON. Where is that found in the bill?

Mr. TAFT. Perhaps the Senator from Washington can help us determine the correct page.

Mr. CAIN. It is on page 44.

Mr. TAFT. The method of calculation which ordinarily is used is stated on page 44 with additional allowances if there are additional children in the family—in short, that the income of the family does not exceed five times the annual rental. Therefore, it all goes back to what the rental rate is for old housing

in the particular community. As I have said, if it is \$30 a month, then \$24 is the highest rent which can be charged in the project; and those who are admitted to the project cannot have incomes in excess of five times the amount of that rent, or \$120 a month, with, of course, additional allowances if there are more children in the family.

Mr. CAIN. Mr. President, will the Senator yield at this point?

Mr. TAFT. I yield.

Mr. CAIN. Will the Senator explain the phrase, in line 9, on page 44, "net annual income"? As I understand the bill, each family is to be granted a \$100 exemption for each minor child; and after the net annual income is determined, not more than 20 percent of it may be paid for rent.

Mr. TAFT. That is a new one to me. I do not know about the use of the word "net" in that connection. From my point of view, certainly it should be clarified by law or regulation. I have not read the report on that point. I suppose it must mean after taxes. I do not know what else it could mean.

Mr. CAIN. It could mean almost anything, I observe, and could be as loose in construction as the term "specified rents," to which the Senator recently took exception.

Mr. TAFT. Yes; I think the Senator from Washington is justified in his criticism.

Mr. President, I have tried to set forth the reasons why I think the general welfare program should be adopted and why I believe we should undertake this program, in spite of the budget situation.

We also have a program for education, a program for health, and a program for welfare. I think the attack on the housing program has been very largely unjustified, in view of the merits of the program. The attack has been centered on the manner in which a good deal of the public housing was administered during the war, when it was not administered well. It was administered then under great handicaps, because war workers were required to be admitted into such housing, and many of them had incomes in excess of the maximum allowed for persons who were to be admitted to those projects. But most of those difficulties are chargeable to the confusion incident to the war, and the projects themselves were not properly subject to such criticism in normal times.

Another basis of criticism was that some persons thought the Government was going into the housing business. Mr. President, this bill does not admit of such criticisms. Personally, I am willing to say that sufficient safeguards should be adopted so as to insure the carrying out of the purpose, which is to make minimum-living-standard housing available to all families in the United States, so that children may have an equal opportunity to grow up and to become self-respecting citizens, and an equal opportunity for education and for acquiring reasonably decent habits and reasonably decent standards by which the rest of their lives may be guided.

I believe we should adopt this 6-year program, in spite of its cost of \$300,000,000 a year for the next 40 years.



I myself have visited many of the public-housing projects, and they have accomplished good. I have gone through the city of Cleveland, where such projects have been built in some places in what formerly were slum areas. The public-housing projects have not only improved the condition of the people who live in them, but they have raised the standard of the entire neighborhood. They have raised the general character and the morale of the people in those communities. I do not believe that anybody who has studied the question is opposed to public housing, if properly limited as it should be, and as I believe it is limited in the pending bill, and in the present Housing Administration. I do not think there is any real opposition or any substantial alternative presented by which the problem can be dealt with. So I think the Senate should adopt the program substantially as presented in the bill, with such amendments as the Senate may see fit to adopt. I shall offer one or two myself. I believe the Congress ought to adopt the program and start the United States toward the elimination of what I think is the greatest social evil in the United States today.

Mr. CAIN. Mr. President, will the Senator yield for one or two very brief questions?

Mr. TAFT. I yield.

Mr. CAIN. During the early part of the Senator's presentation, I remember he referred to the number of American families which, in his opinion, were currently receiving less than \$2,000 a year in the way of family income. I have forgotten the figure used by the Senator. I should like to consider it for a moment, if I may.

Mr. TAFT. I have a table from the Bureau of the Census. I may say to the Senator that I have not personally a great deal of confidence in the figures on family income. I do not think the statistical methods have been sufficiently developed, and yet they may be accurate enough. I do not think it is necessary that the exact character of those figures be maintained in order to make the argument. But the figures—and I should be very glad at this point to place the table in the RECORD—show that 21.8 percent of all the nonfarm primary families have less than \$2,000 a year; between \$2,000 and \$2,500, 11.4 percent; between \$2,500 and \$3,000, 11.4 percent; making a total of 44.6 percent, which is the figure I used—44.6 percent of all the families with an income under \$3,000 a year.

Mr. CAIN. May I ask to what year the Senator refers?

Mr. TAFT. The year 1947, the last year for which I could find any figures.

Mr. CAIN. I am greatly interested in these figures or any others that may be available, to see whether they compare with other so-called reliable figures. I hold in my hand the Economic Report, which includes the message of the President, which was referred to the Joint Committee on the Economic Report, January 7, and which, on page 14, contains certain statistics on the subject which appear to be very greatly different from those used by the Senator from Ohio. Those figures show that for 1947, of our American families, which in that year

totaled 36,240,000, 20 percent, or roughly 7,000,000, were receiving less than \$800 a year, and that the second fifth of our population, which would therefore encompass a total of 40 percent of our people, were receiving less than \$2,000 a year. If there is any validity in one set of these figures, there can be no validity of any kind or character in the others. I ask unanimous consent to place in the RECORD at this point in my remarks table 2 of the Economic Report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—Average money income, after taxes, received by each fifth of the Nation's families ranked by size of income

[Dollars of 1947 purchasing power]

Family units ranked from lowest to highest income <sup>1</sup>	Money income after tax <sup>2</sup> (1947 dollars)	
	1941	1947
Lowest fifth.....	\$562	\$796
Second fifth.....	1,444	1,933
Third fifth.....	2,421	2,992
Fourth fifth.....	3,523	4,226
Highest fifth.....	7,245	8,574

<sup>1</sup> Includes single-person families.

<sup>2</sup> Liability for Federal personal income tax.

Mr. TAFT. Of course there is one fundamental difference which must be recognized, and that is that there are included in the figures given by the Senator between 6,000,000 and 7,000,000 farm families.

Mr. CAIN. Yes.

Mr. TAFT. Also, that the general level of income of the farm families is lower than the others. So that that again raises a question. I think, though, that even after making that allowance, it represents a much lower estimate of income than the table I am placing in the RECORD.

Mr. CAIN. That appears to be so.

Mr. TAFT. I ask unanimous consent that the table to which I have referred be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Distribution of nonfarm primary families by total money income and wage-and-salary income in 1947

Income level	Total money income	Wage and salary income
	Percent	Percent
Under \$500.....	2.7	3.1
\$500 to \$999.....	4.7	4.6
\$1,000 to \$1,499.....	6.5	6.4
\$1,500 to \$1,999.....	7.9	8.7
Under \$2,000.....	21.8	22.8
\$2,000 to \$2,499.....	11.4	12.2
\$2,500 to \$2,999.....	11.4	11.7
\$3,000 to \$3,499.....	12.3	
\$3,500 to \$3,999.....	9.5	
\$4,000 to \$4,499.....	7.7	
\$4,500 to \$4,999.....	5.4	
\$5,000 to \$5,999.....	8.3	
\$6,000 to \$9,999.....	9.6	
\$10,000 and over.....	2.7	
Total.....	100.0	100.0
Median.....	\$3,224	\$3,184

NOTE.—According to the Census Bureau, no further break-down is available on nonfarm families by smaller income class intervals than is shown in the above table.

Source: Bureau of the Census, Department of Commerce.

Mr. TAFT. I do not think the Senator from Washington can very well question this: The median is \$3,224, whereas I think the average income there referred to is about \$2,500.

Mr. CAIN. I have no desire to question the figures as such. I am in hope, along with other Senators, that we may get some figures on which we can rely.

Mr. TAFT. These are the highest figures I have seen from any source, and I am perfectly willing to accept them, because I think they make the case for public housing practically as well as the other figures.

Mr. CAIN. My interest in the figures is, I think, shared by the Senator from Ohio, because from those figures we can more nearly determine where we are headed with reference to the field of enterprise we are discussing, and where we are actually to begin with reference to this particular piece of proposed legislation.

Mr. TAFT. The Senator is correct. In fact, I am rather glad to find the higher figures, because it indicates we may not have to go so far.

Mr. CAIN. The program may not be so pressing as might appear from the figures.

Mr. TAFT. Of course, at the end of 5 or 6 years it may be found that the cost of housing has been sufficiently reduced so that private housing will be within the reach of a larger number of families. I should hope that other answers may also be found to the problems of housing, so we will not have to continue public housing, or at least not have to continue it at the rate proposed in the pending bill, after the 6 years. But I perfectly recognize we may find it necessary to have another 5- or 6-year program before that could be accomplished. I do not know.

Mr. CAIN. I have endeavored to caution some of our colleagues to recognize that when we begin with a program of 810,000 homes to take care of the admitted needs of certain families of low income, it seems to me that necessarily we are committing ourselves to take care of similar situations in the years that lie ahead. From such figures as the Senator from Ohio and I have cited we can begin to think of a long-range future program and commitment for the purpose.

Mr. TAFT. Mr. President, I yield the floor.

Mr. CAIN. Mr. President, I suggest the absence of a quorum.

Mr. MAYBANK. Mr. President—  
The PRESIDING OFFICER. Does the Senator from Washington withhold the suggestion?

Mr. CAIN. Certainly.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Connally	Fulbright
Baldwin	Cordon	George
Bricker	Donnell	Gillette
Bridges	Douglas	Gurney
Butler	Ellender	Hayden
Cain	Ferguson	Hendrickson
Capehart	Flanders	Hickenlooper
Chapman	Frear	Hill



Hoey	Magnuson	Smith, Maine
Holland	Malone	Smith, N. J.
Hunt	Martin	Sparkman
Ives	Maybank	Stennis
Johnson, Colo.	Miller	Taft
Johnson, Tex.	Millikin	Taylor
Johnston, S. C.	Morse	Thomas, Okla.
Kefauver	Mundt	Thomas, Utah
Kerr	Myers	Thye
Kilgore	Neely	Tobey
Knowland	O'Connor	Tydings
Langer	O'Mahoney	Vandenberg
Lodge	Pepper	Wherry
Long	Reed	Williams
McClellan	Robertson	Withers
McFarland	Russell	Young
McKellar	Saltonstall	
McMahon	Schoeppel	

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). A quorum is present.

Mr. CAIN. Mr. President, the pending amendment, which is the referendum amendment, was discussed yesterday at some length, and I can only hope that most Senators have had an opportunity to consider and study the reasons of justification which were given. I am completely satisfied that the adoption of no other amendment will be so important to the long-range success of the slum-clearance, redevelopment, and low-rental proposals which are now before the Senate. The amendment simply provides that no project or projects in a locality or community which can be assisted under the provisions of Senate bill 1070 will be approved or undertaken until they have been approved by a referendum of the voters at any general or special election.

If the amendment shall be adopted by the Senate I have reason to believe that the following three things will be made reasonably certain:

No governing body of any locality, which, in most cases, is the city council, will undertake a project in opposition to a majority wish of its people. I think the Senate would not like to think that any city council would undertake a redevelopment, slum-clearance, or publicly subsidized low-rental housing project against the opposition of the citizens of the community.

The second objective to be achieved is likewise, I think, a very important one. No governing body of any locality will be able successfully to refuse to undertake a project which is desired by a majority of its people.

The third, and, I think, the most important, is that the Congress will know that every project which is undertaken is supported by a majority of the citizens of the locality in which the project is to be situated.

I believe that the results to be achieved from the adoption of the amendment are imperative to the success and health of the slum clearance, redevelopment, and Federally subsidized housing programs which are soon to be approved by the Congress.

If the Banking and Currency Committee and the Senate really mean to respect and be guided by the wishes of a given locality, the amendment ought to be accepted by the committee and adopted by the Senate.

When the proposed legislation is enacted into law it will be fatal to its success if projects are undertaken where they are not desired or are prevented

from being constructed where they are needed. Only through a community's majority vote can these determinations be logically and intelligently made.

Every Senator ought to be keenly and fully conscious of this one fact, that the bill before us contains provision for a total and eventual cost in excess of \$15,000,000. But, looking at the proposal in any way we like, it represents a mere beginning. Eight hundred and ten thousand subsidized low rent houses will be made possible by the proposed legislation. These are to be lived in by families receiving low incomes. When the legislation is passed we have, I think, committed ourselves to providing comparable homes for comparable families of low income in the many years which lie ahead. Unless we wish to bankrupt our Nation, and eventually destroy the construction industry of this country, we ought to make absolutely certain that no Federal project is ever undertaken in any community when a majority of the citizens in that locality are willing or determined to solve their housing and redevelopment problems without seeking assistance from the Federal Government.

America has approximately 14,000,000 families whose annual incomes, after taxes, are less than \$2,000. This distressing knowledge must convince every Senator and citizen who thinks that the proposed legislation is but a small step, if our intention is to provide eventually a federally subsidized home for every family of low income.

Should the amendment be approved, it would mean that the American community will exercise a far greater degree of caution and thought before it embarks on a course from which there will be no turning back. The amendment will not weaken the proposals which are before us. It will strengthen them, and make them much more reasonable. It will encourage Americans to think before they act. If they are permitted to do anything less, our Government will have been negligent, extravagant, and unnecessarily unwise. As one who shares a national aspiration for ever greater health, happiness, and a higher standard of living for all our citizens, I hope deeply that the amendment prevails.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN] on behalf of himself and the Senator from Ohio [Mr. BRICKER]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND], and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from Minnesota [Mr. HUMPHREY], who is absent on public business, is paired on this vote with the Senator from Montana [Mr. ECTON]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Montana would vote "yea."

If present and voting, the Senator from Illinois [Mr. LUCAS], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Montana [Mr. MURRAY], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, is paired with the Senator from Wisconsin [Mr. McCARTHY], who is detained on official business. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay," and the Senator from Wisconsin [Mr. McCARTHY] would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Missouri [Mr. KEM] is absent by leave of the Senate.

The Senator from Utah [Mr. WATKINS] is detained on official business.

The Senator from Montana [Mr. ECTON] is detained on official business and is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Montana [Mr. ECTON] would vote "yea," and the Senator from Minnesota [Mr. HUMPHREY] would vote "nay."

The result was announced—yeas 21, nays 55, as follows:

## YEAS—21

Bricker	Hickenlooper	Mundt
Bridges	Johnson, Colo.	Reed
Butler	Knowland	Robertson
Cain	Langer	Schoeppel
Ferguson	McFarland	Smith, Maine
George	Malone	Wherry
Gurney	Martin	Williams

## NAYS—55

Anderson	Ives	O'Mahoney
Baldwin	Johnson, Tex.	Pepper
Capehart	Johnston, S. C.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kerr	Smith, N. J.
Cordon	Kilgore	Sparkman
Donnell	Lodge	Stennis
Douglas	Long	Taft
Ellender	McClellan	Taylor
Flanders	McKellar	Thomas, Okla.
Frear	McMahon	Thomas, Utah
Fulbright	Magnuson	Thye
Gillette	Maybank	Tobey
Hayden	Miller	Tydings
Hendrickson	Millikin	Vandenberg
Hill	Morse	Withers
Hoey	Myers	Young
Holland	Neely	
Hunt	O'Connor	

## NOT VOTING—20

Aiken	Graham	McCarthy
Brewster	Green	McGrath
Byrd	Humphrey	Murray
Chavez	Jenner	Wagner
Downey	Kem	Watkins
Eastland	Lucas	Wiley
Ecton	McCarran	

So the amendment offered by Mr. CAIN on behalf of himself and Mr. BRICKER was rejected.



Mr. BRICKER. I call up my amendment lettered "D," in which the junior Senator from Washington [Mr. CAIN] joins.

The PRESIDING OFFICER. Does the Senator desire to have the amendment printed in the RECORD, or does he wish to have it stated at the desk?

Mr. BRICKER. I ask that the amendment be printed in the RECORD at this point, and I shall proceed to explain it.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD at this point.

The amendment is as follows:

On page 28, after line 11, insert the following:

**"GOVERNMENT EMPLOYEE AMENDMENT"**

"(10) (a) No housing owned and operated by the United States or by a local public housing authority which is assisted by annual or other contributions from the United States (except housing specifically provided for military, naval, air force, or other Government personnel) and no such housing the rental of which is subsidized or assisted by the United States shall be occupied by any person employed by any branch, department, or agency of the Federal Government, local State government, or local county, parish, or municipal government.

"(b) All annual grant contracts hereafter made for assistance and subsidies to housing of the character described in subsection (a) shall provide that such housing shall not be occupied by persons employed by any branch, department, or agency of the Federal Government, local State government, or local county, parish, or municipal government. In the case of any existing annual grant or other contract for aid to such housing no change shall be made therein unless the provisions of this subsection are complied with.

"(c) No money shall be paid by the United States or any agency of the United States after the enactment of this act for or toward the operation of any housing of the character described in subsection (a) of this section, or to any housing authority to aid any such housing for any period during which the same or any unit thereof is occupied by persons employed by any branch, department, or agency of the Federal Government, local State government, or local county, parish, or municipal government.

"(d) No person shall misrepresent his employment status in connection with the occupancy of any housing of the character described in subsection (a) or to which the United States contributes any aid or assistance. No person shall lease or occupy any such housing or knowingly permit the occupancy thereof in violation of the provisions of subsection (a) of this section. It shall be a violation of this section by the person or persons acting for the lessor knowingly to lease such housing in violation of subsection (a) and it shall be a violation of the section by the person or persons occupying such housing in violation of subsection (a) at the time the same is occupied and a new violation of this section each month such person or persons continue to occupy such housing in violation of this section. Any violation of this section shall be punished by a fine not to exceed \$1,000 or imprisonment not to exceed 1 year, or both.

"(e) Any citizen, association, firm, or corporation in the United States shall have the right to sue to enjoin any violation of this section, to initiate criminal prosecution under this section or to sue for the recovery of any money paid out by the United States or any agency thereof in violation of this section and in such suit recovery may be had for a penalty in an amount equal to the amount paid out by the United States. The amount recovered for the United States for

money improperly paid out shall be paid to the Treasury of the United States and the amount of the penalty shall be paid to the person bringing the action. The district courts of the United States and State courts of general jurisdiction are hereby authorized to hear and adjudicate suits authorized by this section."

Mr. BRICKER. Mr. President, the amendment prohibits Government employees of the Federal, State, or local governments from being housed in the subsidized housing units. That provision of the amendment is as follows:

(10) (a) No housing owned and operated by the United States or by a local public housing authority which is assisted by annual or other contributions from the United States (except housing specifically provided for military, naval, Air Force, or other Government personnel) and no such housing the rental of which is subsidized or assisted by the United States shall be occupied by any person employed by any branch, department, or agency of the Federal Government, local State government, or local county, parish, or municipal government.

Mr. President, the only justification for Federal subsidies to housing is in order to give shelter, housing accommodations, to the lower-income groups. I do not think we can classify employees of the Federal, State, or local governments in the lower-income groups. If it is true that they could be so classified, their salaries ought to be raised commensurate with their responsibilities. Under the civil laws of the States, and of the Nation, and even of the local communities, I believe the salary standards are such that there is no need for Federal subsidy for housing facilities for them.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. IVES. Does the Senator's amendment cover teachers, thereby prohibiting teachers in the public schools from taking advantage of this kind of housing?

Mr. BRICKER. I think the amendment would prevent teachers from taking advantage of subsidized housing.

Mr. IVES. I thank the Senator.

Mr. BRICKER. Certainly the teachers should be paid salaries adequate to take care of their needs. Their salaries should certainly be commensurate with their responsibilities, which are very real and very great. If the local communities do not pay sufficient salaries to their teachers now, they should increase those salaries in sufficient amounts.

I now wish to read from the report of the Investigation of the Public Housing Authority in the San Diego and Los Angeles areas, by the House Committee on Expenditures in the Executive Departments, of the Eightieth Congress. I read merely two or three paragraphs appearing on pages 6 and 7 of the report. What is set forth here may not be typical, but it certainly is an accurate report of what happened in the area in question. The situation is similar in other areas of the United States, and the report bears that out.

I know of one instance in, I believe it is Massachusetts, where the mayor of a city is living in one of the subsidized units. If a mayor has sufficient influence with his fellow citizens to have them

elect him as mayor of his community, he has rather close contacts with public authorities no doubt which would give him a priority for housing in one of these units. It is to get away from such special priority which is given to those who do not need it, that I have proposed the amendment. I read from page 6 of the report I mentioned, as follows:

Some of the Housing officials, who draw annual salaries as high as \$8,700 a year, are living in Government housing projects which cost \$34 per month for three-room apartments.

Men with incomes of \$8,700 are living in a \$34-a-month apartment subsidized by the Federal Government.

The highest rent paid by any employee of PHA in any of these projects is \$54 a month for a three-room house, furnished. Other Federal employees housed in the Government projects in this area are from Bureau of Internal Revenue, Justice Department, and Immigration Service. Most of the Government workers are not war veterans, but those who are veterans are entitled to priority in the Government projects.

Of course, that would be true under the pending bill.

One Federal official in the San Diego area occupies two houses in the Government project. The first rents for \$32 a month, and he gets the second for an additional \$7 per month, or a total of \$39 a month for the two houses. This situation was justified (hearings, p. 10) by the fact that this official has six children and needs two houses. He is not a veteran. This official's salary is \$8,179 a year. Some time after 1945 several of his children married and moved out. He no longer needed two houses, but nothing has been done to move him out of the two houses and into one. The normal rent should be \$64, and he pays \$39.

Another Federal employee lives with his family in a private dwelling in a nearby town, but maintains a house in the Government project for week-end use. He is not a veteran. He has been occupying this house on week ends since 1942. A memorandum in the PHA files as of January 13, 1947, described this employee as "overhoused."

And yet he is given a Federally subsidized apartment to use on week ends.

Another tenant was Enos Baker, who is identified in the FBI records as a Negro Communist leader. He is not a war veteran.

Another tenant, A. C. Rogers, was identified as an active Communist and one of the principal Communist organizers in California. He occupies a four-bedroom house at \$34 a month. He is not a veteran. Another house has remained unoccupied from December 1946 to February 1948. Inquiry disclosed that the tenant was using the house merely as a storage room for his furniture while he was building a new house in another part of the city. During this interval the PHA had a waiting list of 3,000 applicants for housing, most of them war veterans (hearings, p. 14).

Another tenant (Warren E. Bliss), employed as a deputy zone collector by the Bureau of Internal Revenue, applied for housing on March 19, 1947. Although he is not a war veteran, he was assigned an apartment on March 21.

Another nonveteran, Richard G. Griffith, applied on March 6, and obtained quarters on March 12. This tenant is not a Government employee.

The records of the subcommittee's investigating staff carry the details of about 40 non-veteran occupancies, in which Government officials and well-to-do citizens are occupying three-bedroom apartments at \$32 and \$35



per month, while more than 2,500 bona fide veterans are on the waiting list in that area.

Collections for water rents, trash removal, and parking-space upkeep are several years in arrears. That condition has resulted from lack of aggressive action on the part of the Accounts and Project Services Sections.

Leasing and occupancy suffers from many glaring defects in illegal certifications to non-veterans and to Federal and local government employees. Notorious Communists are housed. Few quit agreements are exacted from tenants. Week-end tenants were not evicted, and 186 PHA employees, or 37 percent of area employees, were housed on PHA projects.

It is to prevent that kind of situation from prevailing in the new projects that this amendment has been offered. Anyone who is influential enough in his community, who has the political contacts or the influence to get a job either in the local or Federal Government, certainly would also have contacts to get a prior allocation of one of these units in a housing project, as has been proved by the record from the subcommittee of the House Committee on Expenditures in the Executive Departments during the last session.

I personally know that this situation prevails in many communities where Federal employees are housed in the community. Most of the employees in some sections of the PHA are housed in units subsidized by the taxpayers, at the same time depriving those who are in actual need of the housing which was built for them, for which the taxpayers had to put up the money, and for which we are here attempting to authorize \$308,000,000 a year for a 40-year subsidy.

Mr. President, I ask for the yeas and nays on my amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. VANDENBERG. The Senator read only the first 10 lines of his amendment. Will he indicate what the remainder of the amendment relates to?

Mr. BRICKER. The remainder of the amendment contains the enforcement provisions. It provides a penalty for any one who misstates his position, or who obtains an apartment or rental unit without revealing the fact that he is a public employee.

Mr. VANDENBERG. The remainder of the text simply implements the portion read by the Senator?

Mr. BRICKER. Yes. The important part is what I read at the beginning.

Mr. CAPEHART obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. TYDINGS. The Senator from Ohio [Mr. BRICKER] asked for the yeas and nays on his amendment. I do not know whether or not the yeas and nays were ordered.

Mr. BRICKER. The question was not put.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BRICKER. I thank the Senator from Maryland.

Mr. CAPEHART. Mr. President, I should like to hear someone discuss this

amendment who feels that it is not fair and equitable. I cannot possibly conceive of any argument against the amendment. It seems to me that anyone who is working for the Federal or State government is certainly receiving sufficient compensation to enable him to pay rent or own his own home, as do millions of other taxpayers. In my own mind I cannot find any argument or excuse for not voting for this amendment.

It is a known fact that those working for the Federal and State governments have permanent employment. They are paid regularly. They are never laid off. They may be eliminated from the pay roll; and when they are eliminated from the pay roll they assume the same status as that of any other citizen. They are entitled to live in one of these projects if their income is so low that they can qualify. However, as I have stated, Government employees have permanent employment. They must be receiving sufficient compensation to pay their rent. If they are not, either the Federal Government, the State government, or the city government is to blame.

I challenge anyone to give me an argument or to cite facts or reasons to show why this is not a good amendment.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FLANDERS. Some of the points brought out in the discussion of this subject in the Committee on Banking and Currency are still fairly fresh in my mind.

One question which was raised was whether charwomen who are engaged in cleaning post offices, and so are Government employees, should be barred. Another question which was raised was whether a resident janitor for a group of buildings should be barred.

Still another question which arose was this: Should the country fall on evil days and should WPA—God bless its soul—be aroused from the dead, would the fact that a man was so fortunate—or unfortunate—as to be engaged in WPA work justify throwing him out on his neck from Government housing?

Mr. CAPEHART. Why does the Senator say "throwing him out on his neck?"

Mr. FLANDERS. That is what this amendment would do.

Mr. CAPEHART. He is not in yet. How could he be thrown out if he were denied the right to move in?

Mr. FLANDERS. They come in under the conditions provided in the bill. Suppose they should fall on evil days. If they work for a WPA, they thereupon become ineligible. That is the way I read the amendment. I may be mistaken.

Mr. CAPEHART. If we have a return of WPA and PWA, and have, as we did a number of years ago, ten or fifteen million unemployed, and two or three or four million working for WPA, we certainly cannot supply sufficient rental apartments for all of them.

Mr. FLANDERS. The only question I raise is whether that justifies throwing them out on their necks.

Mr. CAPEHART. I still do not know what the junior Senator from New

Hampshire means by throwing them out on their necks.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. TOBEY. The junior Senator from New Hampshire has not spoken at all. If he were speaking, he would point out that they would not necessarily land on their necks.

Mr. CAPEHART. It is my understanding of the amendment that it simply would make it impossible for anyone working for the Federal Government, the State government, or the city government to move into a low-rental-housing project.

Mr. TOBEY. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. TOBEY. As I read the amendment, it would bar the charwomen of the Government who work in Government buildings and who clean our offices, the elevator operators, and other low-salaried Government employees from having the benefit of low-priced housing units supported by the Government.

Mr. CAPEHART. Why do we pay those people such low wages?

Mr. TOBEY. That is not the question. The objective is to bar them.

Mr. CAPEHART. Is it not a fact that anyone working for the Federal Government is receiving \$1,600 a year or more?

Mr. TOBEY. It may well be so; but should that bar them from Federal housing projects? Should they be barred from such projects because they earn \$1,600? Is that the criterion?

Mr. CAPEHART. No; but I understand that in the bill there is a limit with respect to income. What is the limit in the bill?

Mr. TOBEY. The Senator is a member of the committee. Does he not know?

Mr. CAPEHART. I am asking the Senator from New Hampshire. Does he know?

Mr. TOBEY. Yes; I do know. The Senator from Indiana is speaking in behalf of the amendment. I wonder if he knows about it.

Mr. FLANDERS. Mr. President—

Mr. TOBEY. I yield to the Senator from Vermont.

Mr. CAPEHART. The able Senator from New Hampshire does not have the floor. I appreciate the fact that he would like to manage things, but he does not happen to have the floor at the moment.

Mr. FLANDERS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Vermont?

Mr. CAPEHART. I am glad to yield.

Mr. FLANDERS. I wish to ask not for the floor but to have the Senator from Indiana yield to me very briefly.

Mr. CAPEHART. I am very happy to yield to the Senator.

Mr. FLANDERS. I wish to give to the Senator from Indiana what I conceive to be a hypothetical case which is well within the range of probabilities: An elevator boy working, let us say, in a Federal building, who is the son of a widowed mother and has two minor brothers and sisters, and is himself just a



young fellow. That is well within the range of possibilities or even probabilities. I suggest that this amendment would not allow that boy's mother and that little family to go into public housing; but I think they should be allowed to go into it.

Mr. CAPEHART. Would the distinguished Senator from Vermont be willing to amend the amendment so as to have it provide that any Federal, State, or city employees making more than \$1,500 a year, let us say, would be ineligible?

Mr. FLANDERS. I say to the Senator from Indiana that, to my mind, the standards set forth in the bill will prevent abuse.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I am happy to yield.

Mr. CAIN. I do not know that I speak for the junior Senator from Ohio [Mr. BRICKER], who was the original author of this amendment; but as one who gladly joined him in offering the amendment. I would recommend that it be amended so as to make it possible for employees at the various levels in the Government service to live in these projects, provided their salaries or incomes in no case exceed the annual income permitted to any other American citizen living in such projects. By the adoption of such an amendment to this amendment, we would make certain that the managerial personnel, who on occasion have abused these privileges, shall not do so in the future; we would make certain that various other governmental employees whose salaries considerably exceed the maximum permitted for admission into such federally subsidized low-rent housing projects, which substantially have been constructed to get rid of slums in America, are precluded forever from living in such establishments.

With any encouragement from the author of the amendment, I should like to see such an amendment offered to it.

Mr. FLANDERS. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I am happy to yield to the Senator from Vermont.

Mr. FLANDERS. Let me suggest to the Senator from Indiana that he might suggest to the junior Senator from Washington that he would add nothing whatever to the amendment by making such an amendment to it, because those terms are already in the bill, and they apply just as much to Government officials or employees as they do to anyone else.

Mr. CAIN. Mr. President, will the Senator yield to me?

Mr. CAPEHART. I am happy to yield.

Mr. CAIN. I think it is very clear to the Senator from Vermont, as it is to me and to other Members of the Senate, that federally supported accommodations throughout the United States have been occupied in part by large numbers of persons whose incomes have been far in excess of the maximum permitted under the law for the occupancy of those places. If we place in this law a prohibition against permitting the occupancy of such accommodations by any governmental employee whose annual income is in

excess of the amount stated in this bill, we shall have grounds for preferring specific charges against whoever might permit such an abuse to occur.

Mr. CAPEHART. Mr. President, if the Federal Government is paying anyone, at the moment, such a small salary for doing janitorial work or for sweeping floors or for doing other work that he is unable to rent a house or an apartment for himself and his family, then certainly we should raise such person's compensation sufficiently to enable him to maintain a home, just as any other citizen does.

I still maintain that it is sound to provide that Federal, State, and city employees should not be permitted to live in projects of this sort.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I am very happy to yield.

Mr. FLANDERS. I should like to suggest to the Senator from Indiana that if he listened to the suggestions of the Senator from Washington and if he were minded to reply to them, he might suggest that persons with large incomes who continued to live in public housing, did so because Congress passed a law freezing them in possession of such accommodations, but that law was repealed at the special session of Congress last summer, so that point is not at all pertinent to the present discussion.

Mr. CAPEHART. Mr. President, I am not the author of the amendment. I congratulate the able junior Senator from Ohio [Mr. BRICKER] for submitting it. If he wishes to change it, I shall be happy to support it.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. CAPEHART. I am glad to yield.

Mr. CAIN. I should like to state, for whatever consideration Senators may see fit to give to my statement, that if the amendment in the form in which it was submitted by the Senator from Ohio were to be adopted in the amended form suggested by the junior Senator from Washington, there would be a real feeling of gladness on the part of most American citizens, because there are tens of thousands of them who are convinced that many of the accommodations in these projects are occupied by persons who have no right to be there; and the unsubsidized American citizen takes violent exception to providing a part of his hard-earned income to support governmental employees, many of whom earn more than he does, in these federally subsidized projects.

Mr. CAPEHART. Mr. President, I say again that if any government—Federal, State, or city—is paying its employees so little that they cannot afford to rent a home or an apartment, then something is wrong with that government, and that condition should be corrected.

Again I say that I believe we should adopt this amendment prohibiting Federal, State, or city employees from living in these projects; and I shall support the amendment of the able Senator from Ohio.

Mr. LANGER. Mr. President—

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. LANGER. Do I now have the floor, Mr. President?

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. LANGER. I rise to speak against this amendment.

At the present time we have approximately 8,000 mail handlers. Approximately two-thirds of them are veterans who have families to support. Up to the time when we passed the last pay-increase bill, they were being paid \$1,950 a year. With the \$450 increase subsequently provided, they now are receiving \$2,400 a year. Federal employees already are being discriminated against: They cannot take any part in politics; they cannot even express their opposition to those who oppose their interests.

I remember very well that less than a year ago, when we tried to obtain even a small pay increase for such employees, at the time when that move was blocked because we could not obtain unanimous consent to have that measure considered, the distinguished Senator from Indiana invited the Senator from North Dakota to go over to the other side of the aisle, suggesting that he was more of a Democrat than a Republican.

Mr. President, I, for one, want to protest against this discrimination against Federal Government employees. I have heard Senators say that there are too many Government employees; but when we ask such Senators to state in which department of the Government the number of employees should be reduced, their silence is eloquent.

Not only that, Mr. President, but the Federal employees as a whole have done a very fine job, and did an exceptionally fine job during the war. It happened that while I was chairman of the Civil Service Committee of the Senate, charges were made in the House of Representatives that some of the women employed by the Federal Government were not working as they should, that there was malingering and loafing on the job. Our committee then employed two experts to look into that matter, and they went from place to place to find out whether that charge was true. With one exception they did not find a single place where Federal employees were loafing on the job, where men were sitting with their feet upon the desk reading newspapers, or where the ladies were taking their knitting along with them. So, Mr. President, in behalf of the Federal employees, whom I know so well, I want to protest against any kind of amendment being adopted which will discriminate against them any more than they are being discriminated against at the present time.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. LONG. The Senator was directing his remarks to the Federal employees. But is the Senator not familiar with the fact that there are many State and county employees—for example, in my State, game wardens and fire wardens—who receive as little as \$60 a month? Does the Senator not also recognize the



fact that there are other people who because of old age get jobs escorting children back and forth across the streets, who receive not more than \$50 a month? Does the Senator believe there is any reason why such persons should be excluded from low-cost housing?

Mr. LANGER. I believe the pending bill, without the proposed amendment, is the very kind of law the people to whom the distinguished Senator from Louisiana refers should have.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hunt	O'Mahoney
Baldwin	Johnson, Tex.	Pepper
Bricker	Johnston, S. C.	Robertson
Bridges	Kerr	Russell
Butler	Kilgore	Saltonstall
Cain	Knowland	Schoeppel
Capehart	Langer	Smith, Maine
Chapman	Long	Sparkman
Connally	McCarthy	Stennis
Cordon	McClellan	Taft
Donnell	McFarland	Taylor
Douglas	McKellar	Thomas, Okla.
Ecton	McMahon	Thomas, Utah
Ellender	Magnuson	Thye
Flanders	Malone	Tobey
Frear	Martin	Tydings
George	Maybank	Vandenberg
Gillette	Millikin	Watkins
Gurney	Morse	Wherry
Hayden	Mundt	Williams
Hendrickson	Murray	Withers
Hill	Myers	Young
Holland	Neely	
Humphrey	O'Connor	

The VICE PRESIDENT. A quorum is present.

Mr. MYERS. Mr. President, a subcommittee of the Committee on Appropriations is now meeting by leave of the Senate. The chairman of the subcommittee is the Senator from Wyoming [Mr. O'MAHONEY], and he has asked me to announce that the following Members have been in the meeting and, for that reason, did not respond to the quorum call: Mr. FERGUSON, Mr. SALTONSTALL, Mr. HILL, Mr. O'MAHONEY, Mr. THOMAS of Oklahoma, Mr. MAYBANK, Mr. CORDON, and Mr. MCKELLAR.

The VICE PRESIDENT. The question is on agreeing to the amendment lettered "D," offered by the Senator from Ohio [Mr. BRICKER] for himself and the Senator from Washington [Mr. CAIN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Idaho [Mr. MILLER] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND], and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senator from Illinois [Mr. LUCAS], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The result was announced—yeas 27, nays 53, as follows:

#### YEAS—27

Bricker	Gurney	Reed
Bridges	Hickenlooper	Robertson
Butler	Johnson, Colo.	Schoeppel
Cain	McCarthy	Taft
Capehart	Malone	Tydings
Cordon	Martin	Vandenberg
Ecton	Mundt	Watkins
Ferguson	Millikin	Williams
Fulbright	O'Connor	Young

#### NAYS—53

Anderson	Ives	Myers
Baldwin	Johnson, Tex.	Neely
Chapman	Johnston, S. C.	O'Mahoney
Connally	Kefauver	Pepper
Donnell	Kerr	Russell
Douglas	Kilgore	Saltonstall
Ellender	Knowland	Smith, Maine
Flanders	Langer	Smith, N. J.
Frear	Lodge	Sparkman
George	Long	Stennis
Gillette	McClellan	Taylor
Hayden	McFarland	Thomas, Okla.
Hendrickson	McKellar	Thomas, Utah
Hill	McMahon	Thye
Hoeey	Magnuson	Tobey
Holland	Maybank	Wherry
Humphrey	Morse	Withers
Hunt	Murray	

#### NOT VOTING—16

Aiken	Graham	McGrath
Brewster	Green	Miller
Byrd	Jenner	Wagner
Chavez	Kem	Wiley
Downey	Lucas	
Eastland	McCarran	

So the amendment lettered "D," offered by Mr. BRICKER for himself and Mr. CAIN, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. BRICKER. Mr. President, I call up my amendment "A," in which the junior Senator from Washington [Mr. CAIN] joins.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 28, after line 11, it is proposed to insert the following:

(9) In recognition of the fact that public policy requires equality of treatment of all people and prohibits discrimination or segregation on account of race, color, creed, national origin, or ancestry in regard to public housing, every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that the housing project to which the contract refers shall be operated without discrimination or segregation. Any person who in the management or operation of such housing discriminates or attempts to discriminate against any person, family, or group of people on account of race, creed, or color shall be guilty of a violation of this section and shall be punished by a fine of not more than \$1,000 or imprisonment for not

more than 1 year, or both such fine and imprisonment. Any citizen or organization may enjoin the violation of this section in any court, State or Federal, of competent jurisdiction.

Mr. BRICKER. Mr. President, I am confident the amendment speaks for itself. I said yesterday that there had been a great deal of shadow boxing in the Congress in the attempt to place responsibility for the failure of the civil-rights program. This is the one chance we will likely have to vote on this question during the present session of the Congress.

Mr. President, this amendment does not represent an attempt on the part of the Congress to impose its will upon any State, upon any community, upon any organization, upon any employer or employee. The amendment merely says in effect that the Federal Government subsidy shall be used without discrimination among the citizens of the country since all taxpayers must pay the bill.

Mr. President, I wish to refer briefly to an imposing pamphlet called the Democratic Platform of 1948. On page 13 occurs this very significant statement:

The Democratic Party is responsible for the great civil-rights gains made in recent years in eliminating unfair and illegal discrimination based upon race, creed, or color.

The Democratic Party commits itself to continuing its efforts to eradicate all racial, religious, and economic discrimination.

We again state our belief that racial and religious minorities must have the right to live, the right to work, the right to vote, the full and equal protection of the laws, on a basis of equality with all citizens as guaranteed by the Constitution.

Not to be partisan in any respect, Mr. President, the Republican platform was just as laudatory of its efforts along this line and pledged its support, with the Democratic Party, to the same common end. So we are merely living up to the spirit and the intent of the platforms of the two major political parties in the last campaign, and of the Constitution of the United States, which requires that all citizens be treated equally, justly, and fairly.

Mr. President, since this is likely the only opportunity this body will have to pass upon any segment of the civil-rights program during this session of the Congress, I ask for the yeas and nays.

The yeas and nays were ordered.

#### CONGRESSIONAL LEGISLATION OFTEN AGGRAVATES HOUSING AND FOOD PROBLEMS

Mr. MALONE. Mr. President, this body will very soon resume its consideration of the administration's three-part free-trade program, a program which will add to the low-income groups and unemployment in this country and add to the problem the current housing bill is designed to cure.

The second part—the first is making up the trade balance deficits of the 16 European nations in cash each year through the ECA—is the extension of the 1934 Trade Agreements Act for 3 years.

The State Department has adopted a selective free-trade policy based upon the 1934 Trade Agreements Act—upon the theory that the more they divide our markets with the nations of the world the less their annual trade balance deficits will be.



The third part of the three-part free-trade program is the International Trade Organization treaty which would be the last rivet in the permanent free-trade program for this Nation. This organization consists of 58 nations, each with 1 vote, that will meet at least once each year and add up the remaining production and markets of the world, and divide them among the nations of the world ultimately on the basis of population.

Under the ITO this Nation relinquishes all authority over the adjustment of our tariffs and import fees, the system used for many decades to advance our standard of living in accordance with the energy and intelligence which our people apply to their work.

PRODUCTS OF LOW-WAGE EUROPEAN AND ASIATIC  
LABOR AND UNEMPLOYMENT

Free trade means putting the American working man in direct competition with the low-wage living standard labor of Europe and Asia. The products of such labor, through the use of our machinery and know-how, will displace the production of the higher living standard working men in this country.

The choice here then is a very much lower standard of living for our workers in this country, or wholesale unemployment.

Mr. President, in that connection I ask unanimous consent to have inserted at this point in the RECORD an article under the heading News and Views by Alexander S. Lipsell, published in the Potters Herald, of East Liverpool, Ohio, a weekly newspaper.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEWS AND VIEWS

(By Alexander S. Lipsell)

Serious questions are again raised in connection with the pending authorization of the second installment of the 4-year Marshall plan. Government estimates call for expenditures of \$5,580,000,000; the Republican opposition has unsuccessfully demanded cuts ranging from 10 percent of the above total to \$1,000,000,000.

During the debate Senator GEORGE W. MALONE, of Nevada, discussed certain aspects of the European recovery program which are of particular concern to the wage earners of America. He alternately denounced the ERP-ECA "through which we are arming Russia for the third world war" and the free-trade program of the Truman administration as "pulling jobs out from under the feet of the American workers," adding:

"American companies are now moving into European countries to utilize European cheap labor and furnish the foreign market—including the American market—with commodities which will displace American workers at home. The President of the United States has gone so far as to propose that such foreign investments by American companies be guaranteed by the United States with the inevitable result that their product will flood American markets and throw millions of workers out of employment. He is doing this at a time when already we have 4,000,000 unemployed and 9,500,000 workers on part time.

"All this is being done under the spacious plea of stopping or containing communism. Actually, Mr. Truman is waging a phony cold war against Soviet Russia on the economic front. If the Truman program is ap-

proved by Congress, American labor will be sold down the river like Czechoslovakia at Munich. Our factories will stand idle and Stalin will have won the cold war without firing a shot."

Allowing for exaggeration and oratorical fireworks, the loss of jobs resulting from the move of large American concerns to Europe is serious indeed. Our trade-union movement, wholeheartedly in favor of the Marshall plan and its humanitarian purposes, has apparently paid little attention to the use to which billions of American tax dollars are put abroad. Nor is this an attempt to drag a red herring across the ERP trail. Victor Riesel, in his column "Inside Labor," furnishes interesting details:

"What's worrying the labor people most is the shift of whole factories from the United States to Europe, Scotland in particular. More than a dozen United States firms have set up Scottish shops in the past few years. Largest of these moving closer to the European market is the Remington Rand Co., makers of typewriters and office equipment. Some 12,000 mechanics throughout New England and New York lost their jobs when Rand shifted to Scotland and Canada."

Trade-unionists are bound to ask under these circumstances whether the Marshall plan is really the blessing described by inspired editorials and a well-oiled Government propaganda machine. American labor is willing to do its share for the impoverished people abroad. However, our readiness to help others does not imply that we should lose our shirts and jobs in the process. It might be well for the national spokesmen of labor to take a second look at what is happening to the livelihood of millions of Americans under the roseate disguise of international cooperation and plenty for all.

Ever since the end of the Second World War the American people have been promised relief from the burden of extravagant bureaucracy. What is the truth? According to the United States Civil Service Commission, 109,000 new Federal pay rollers were added in 1948. American taxpayers now carry more than 2,200,000 Federal civilian employees on their shoulders—more than twice as many as in 1940—almost four times as many as in 1933.

What about the employment of Government employees abroad? At the end of 1948, no less than 193,767 civilians were working for the United States Government in 96 different countries overseas, not including the military personnel in the occupation forces of Germany, Japan, and Korea. An examination of our overseas bureaucracy shows 582 Federal employees in Brazil, 525 in British Guiana, 3,185 in Cuba, 5,886 in Puerto Rico, 27,488 in the Philippine Islands, and so on.

Senator MALONE in his fiery exhortation said that when labor becomes aware of the results of the administration's program "there will be repercussions of a major character." Perhaps there will be.

CONGRESSIONAL ACTION ENLARGES LOW-INCOME  
GROUPS

Mr. MALONE. The resulting unemployment or reduced standards then leads to the necessity for additional public housing, food subsidies, and other relief problems, since through the three part free-trade program, now being urged upon Congress, the low-income groups will substantially and continually increase.

Much of the time of Congress is being utilized in meeting relief housing and food problems created by their own actions.

MANY OF OUR OWN PEOPLE STRUGGLE FOR  
EXISTENCE

Mr. President, I have many times, before this body, said that many of our people are not living well; that at least 40 percent of the population of the Nation is at this time having a hard time paying the taxes and keeping the children in school. I am gratified that several Members of the Senate have recently had an opportunity to become familiar with such conditions in this city. If time permitted for a full examination they would probably find similar conditions in 75 percent of the cities of this Nation. Mr. President, the people have an acute dollar shortage at this time.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD excerpts from an article by William J. Brady and Bert Wissman, published in the Washington Times-Herald of April 20, 1949.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SENATORS FIND, AT LAST, D. C. SLUM SQUALOR—  
SIGHTS NEAR CAPITOL STUN INVESTIGATORS

(By William J. Brady and Bert Wissman)

Shocked Senators yesterday finally learned the disgusting truth about the slum areas festering within a few hundred feet of the Capitol, their revealing on-the-spot investigations coming after civic leaders and welfare organizations had pleaded in vain for years for corrective legislation.

Their dramatic "discovery" of the facts about the city's "blighted areas" came after five legislators had made an impromptu tour of filthy, evil-smelling and crowded shacks within a 6-block radius of the Senate Chamber.

Despite the lengthy discussion of slum conditions that preceded the tour, the Senators were ill-prepared for what they saw. All were visibly shocked. Some said they were "incensed" that such conditions exist.

Civic and welfare officials, who have been shocked and incensed for many years at the horror of the slums, last night were hopeful the Senators' investigation would lead to prompt corrective legislation—legislation which they and the Times-Herald have been advocating for two decades.

After the tour, MORSE stood in the Senate Chamber and described to his colleagues the blighted areas. He said he saw scores of homes in which there were no running water or heating facilities. One place—"a shambles of a 4-room house"—sheltered 16 people, he declared.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from an address which I made in the Senate on March 5, 1948.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. President, I am only a humble Member of this august body, and I have been here only a year. I wish to make it plain that I do not have all of the answers, but I wish to say that when I came to the Senate I took an oath—and that occurred recently enough that I remember it—to protect the Constitution of the United States, and I construe that also to mean the property of the United States. Certainly we do not protect our money and our property by scattering it throughout the world in an attempt to reach



a balance of trade for all of the countries of Europe, many of which already have recovered, as shown by the industrial index, beyond their 1937 positions, but which still want to buy in 1948 goods valued at \$5,300,000,000 more than they are able to produce. In other words, these countries want to buy more than they sell, or to spend more than they earn, just as many families in the United States are inclined to do. Today most families in the United States are out of the dollar balance. But our families have to pay their own way. That is what all our people have to do. Similarly I point out that at some time in our national affairs we must come face to face with realities and must pay the piper.

Mr. MALONE. Mr. President, Congress does not have money. The only source of funds for the appropriations we make is the taxpayer, and, Mr. President, every man and woman in this country pays his share of the taxes, either directly, or indirectly, through the bread they eat and the clothes they wear.

I ask unanimous consent to have printed at this point in the RECORD another excerpt from the address which I delivered on the floor of the Senate on March 5, 1948.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Secretary (Secretary of the Interior) seems to have given little consideration to the fact that \$17,000,000,000 (Marshall plan) added to the \$24,000,000,000 which the Congress of the United States has appropriated since World War II and passed out as gifts to the nations throughout the world is more money than the entire taxable value of the 11 Western States added to that of the 14 Southern States, which together make 64 percent of the area of the United States.

That is what we are giving away, and we are foolish to do so. It is proposed that we accomplish it in 2 weeks. At least, that was the time set. At that rate we would finish the job of giving the entire country away in a very short time.

Mr. MALONE. Mr. President, it is time that we examine the fundamentals underlying our economic structures and reestablish a firm national policy under which we can maintain our wage-living standard, and which will tend to eliminate the conditions to which much of our special legislation is directed.

The VICE PRESIDENT. On the amendment lettered "A," offered by the Senator from Ohio [Mr. BRICKER], the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, before the roll is called I should like to answer the statement made by the Senator from Ohio [Mr. BRICKER] with respect to the amendment now pending before the Senate.

The VICE PRESIDENT. No Senator has as yet voted. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, I think we should be very careful to see what the exact effects will be of the amendment offered by the junior Senator from Ohio. It necessarily creates a sharp conflict within the hearts of all of us who want, on the one hand, to clear the slums and to provide decent housing for the slum dwellers and who, at the

same time, feel very keenly that we should not treat any race as second-class citizens. We believe that all human beings are indeed children of God and that in our democracy they should be granted equal rights and opportunities. There are differences between individuals, but we want to see men judged and treated according to their individual merits and neither exalted nor depressed because of the accident of their birth.

The amendment of the Senator from Ohio will in any event probably be supported by the hard core of some 25 to 30 Senators on the other side of the aisle who agree with his thinking in virtually all matters. It will, of course, be opposed by the approximately 30 Senators from the Southern and border States.

Mr. IVES. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New York for a question?

Mr. DOUGLAS. I yield.

Mr. IVES. The Senator does not imply in that statement, does he, that all who support or may support this particular amendment, in doing so are opposed to the whole idea of public housing?

Mr. DOUGLAS. In no sense.

Mr. IVES. The Senator from New York expects to support the amendment, because he believes in the principle involved in it. The Senator from New York also wants to make it clear that he is also going to support the public-housing bill.

Mr. DOUGLAS. I want to say that no one could question the good motives of the junior Senator from New York. No one can question his good motives. I certainly do not. I know that he has been a stalwart friend of slum clearance and public housing throughout his public career.

Mr. IVES. The Senator from New York thanks the distinguished Senator from Illinois.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CAPEHART. It is not clear to me what the Senator from Illinois means when he says that 25 Senators on the Republican side of the aisle will vote with the able Senator from Ohio because they think as he does.

Mr. DOUGLAS. I simply mean that if we take the roll calls during this session we will find that there is a group of from 25 to 30 Senators who generally agree with the distinguished junior Senator from Ohio.

Mr. CAPEHART. Could it be possible that the Senator from Ohio might agree with the other 24 Senators.

Mr. DOUGLAS. That is correct. Let us say there is a community of feeling or a community of thought among them.

Mr. WHERRY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DOUGLAS. I yield.

Mr. WHERRY. I ask the Presiding Officer: What is the question before the Senate?

The VICE PRESIDENT. The question is on agreeing to the amendment lettered

"A" offered by the Senator from Ohio [Mr. BRICKER].

Mr. WHERRY. Was there a vote on the amendment?

The VICE PRESIDENT. The yeas and nays were ordered, and the clerk began to call the roll, but no Senator voted before the Senator from Illinois obtained the floor.

Mr. DOUGLAS. Mr. President, the issue will turn on what we Democrats of the North and West, some 25 in number, who regard ourselves as liberals do on this matter together with what the small but gallant group of liberal Republicans on the other side of the aisle decide to do.

Now what would happen if we voted for and hence adopted the Bricker amendment? The answer is very simple.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Does the Senator from Illinois mean that this small and gallant group of liberals is going to vote for the amendment or does he mean it is going to vote against it? Being liberals, of course, they would vote to support an amendment which provides that there shall be no discrimination. Which is the gallant group?

The VICE PRESIDENT. The Senator from Illinois yielded for a question.

Mr. DOUGLAS. What I am trying to say is that the amendment creates quite a storm in the hearts of 25 northern and western Democrats, and, I think, in the hearts of the small but gallant group of Republican liberals on the other side of the aisle.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska for a question?

Mr. DOUGLAS. I yield.

Mr. WHERRY. The Senator means the gallant group which is going to vote for the amendment?

Mr. DOUGLAS. I shall make my position clear very shortly, I will say to the distinguished minority leader.

Mr. BRIDGES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. DOUGLAS. I should like to have a chance to finish my statement.

The VICE PRESIDENT. The Senator need not yield to any Senator.

Mr. DOUGLAS. There has been one sentence of discussion on my part and 10 sentences of query.

The VICE PRESIDENT. The Senate will be in order. The Senator from Illinois need not yield to anyone for any purpose.

Mr. DOUGLAS. What would happen if we voted for and hence adopted the Bricker amendment? The answer is very simple. It would inevitably defeat the whole housing bill itself. I think every Member present in this Chamber knows that to be a fact, and knows why



it is so. But it needs to be made plain to the people of the country.

In the first place, it would compel virtually all of the some thirty southern and border State Senators to vote against the housing bill as a whole, once this amendment were included in it. Many of them would do this with a heavy heart, for they believe in this bill and want to see it passed. But their sentiments and those of the people whom they represent are so intense on this question that if the choice is presented between added housing with the abolition of segregation in the housing projects of the South and no housing at all, they will choose no housing. We may deplore their feelings, as I personally do, but let us judge not, lest we ourselves be judged.

Let me emphasize the fact that from all I can learn a large majority of the southern Senators are in favor of the bill in its present form without the Bricker amendment. The senior Senator from Louisiana [Mr. ELLENDER] has for years been one of the leading sponsors of this bill. In the present session, perhaps its two most vigorous and intelligent champions have been the distinguished Senator from South Carolina [Mr. MAYBANK] and the distinguished junior Senator from Alabama [Mr. SPARKMAN]. As a humble member of the Banking and Currency Committee with those Senators, I want to pay tribute to the devotion and public spirit with which they have fought for this measure. If the Bricker amendment is not included, they and a large majority of their southern and border colleagues will vote for the measure, and enable it with northern and western help to pass. But if the Bricker amendment is adopted, then all of them will move into opposition.

What then will the junior Senator from Ohio and those on the other side of the aisle who stand with him do? Here I want to speak with accuracy and clarity. First, let me say how grateful we are to such splendid Senators on our committee as the senior Senator from New Hampshire [Mr. TOBEY] and the junior Senator from Vermont [Mr. FLANDERS].

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. TOBEY. It so happens that I am the junior Senator from New Hampshire.

Mr. DOUGLAS. I beg the Senator's pardon.

Mr. PEPPER. Mr. President—

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Did the Senator from Illinois mean the senior Senator from New Hampshire or the junior Senator from New Hampshire?

Mr. DOUGLAS. I meant the junior Senator from New Hampshire [Mr. TOBEY].

Mr. WHERRY. I thought the Senator was speaking of the other liberals.

Mr. DOUGLAS. Mr. President, with no disrespect to the other Senator from New Hampshire [Mr. BRIDGES] I can say that wherever Senator TOBEY sits, there is the head of the table.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. PEPPER. The able Senator from Illinois has spoken about the probable opposition to this measure on the final vote if this amendment were incorporated in it. Is the Senator sanguine enough to believe that there would be a vote at any time soon if the amendment were incorporated in the bill?

Mr. DOUGLAS. I am afraid not.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Does the Senator think there would be a vote on anything involving civil rights if it were taken up for debate on the floor of the Senate—even including the cloture rule?

Mr. DOUGLAS. I should not like to enter into a discussion of the Wherry amendment to the Rules of the Senate. I have already expressed my views in that connection. However, on the whole I believe that makes it very difficult to bring these measures to a vote. I will say to the distinguished Senator from Nebraska that I did not raise this question. He himself raised it.

Mr. WHERRY. Why do we not put the cloture rule to a test, and see whether or not we can end debate?

Mr. DOUGLAS. At the moment I am discussing the pending amendment.

I will say to the Senator from New Hampshire [Mr. TOBEY] and the junior Senator from Vermont [Mr. FLANDERS] that by their constructive criticism of the original measure they have greatly improved it, and in a very real sense they are coauthors of the bill. I for one cannot be too grateful to these men and to the group for whom they speak, and I am sure that the millions of people huddled together in body-weakening and soul-depleting slums, out of their darkness and their misery nevertheless recognize these men as their true defenders and champions. All honor to them. And all honor, too, to the senior Senator from Ohio [Mr. TAFT] for the way he has championed the cause of decent housing during the past 4 years. But the real question is what the 25 or 30 Senators on the other side of the aisle who join with the junior Senator from Ohio [Mr. BRICKER] will do. Here again I want to be both charitable and just. Unfortunately I have not had the opportunity to become well acquainted with the junior Senator from Ohio, but from what I have seen of him, I like him. He is friendly in manner, direct in speech, and has a saving sense of humor. He has been justly honored by his State and his party. I hope that what I have to say will not cause him a moment's pain, for that is the last thing on earth I wish to do.

Mr. TOBEY. Mr. President, will the Senator yield for a suggestion?

The VICE PRESIDENT. The Senator cannot yield for a suggestion. He can yield only for a question.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. TOBEY. In justice to the visible evidence and the physical facts, would not the Senator from Illinois add to the statement with respect to the junior Sen-

ator from Ohio and the handsomest Member of this body on either side of the aisle?

Mr. DOUGLAS. I think that is probably correct. I hope that what I have to say will not cause him a moment's pain. That is the last thing on earth I wish to do. But surely it is permissible to point out that the Senator from Ohio has made no secret of his attitude toward the bill. He is opposed to it. He would be opposed to it without his amendment, but he would also be opposed to it if it were to include his amendment. I think he is opposed to the bill on conscientious grounds. He does not believe that the Government should go into the business of clearing the slums and providing decent housing for low-income families living in the slums.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. BRICKER. My position was made clear yesterday. I am in favor of the slum elimination section. I am opposed to the public housing section. I favor the research section, and I am opposed to the farm housing section.

Mr. DOUGLAS. I respect the sincerity of the junior Senator from Ohio, although I disagree with his conclusions. I think the evil is so great that the Government should act. It is no idle mind-reading, therefore, when I say that the adoption of his amendment would not win over the junior Senator from Ohio to the support of the bill which he so sincerely dislikes. Nor, I am sure, would it win over the support of the large group of Republican Senators who feel as he does on this subject. Their group, when joined with the Southern and border Senators, would then be sufficient to defeat the bill as a whole.

We therefore have the choice of voting for the Bricker amendment prohibiting segregation in public housing everywhere and thereby killing the whole program, or voting it down, enabling the act to be passed, the slums to be cleared, and the 810,000 dwellings to be constructed, and then let the localities themselves decide this question of segregation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CAPEHART. Would the Senator be in favor of the amendment if he were certain that the bill would pass?

Mr. DOUGLAS. I am pretty certain that the bill would not pass.

Mr. CAPEHART. Will the Senator please answer my question? Would the Senator be in favor of the amendment if he were certain that the bill would pass?

Mr. DOUGLAS. Personally I do not believe in segregation; but I also know that the Southern States are firmly committed to that principle, and I do not want at this time to disrupt the United States of America during a period of grave national crisis when we are being threatened by the police state in order to force upon them what I believe to be correct.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.



Mr. KILGORE. I wonder if the Senator from Indiana could guarantee the passage of the bill with the amendment. Would he go so far as to say—

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senator from Indiana may be permitted to answer the question of the Senator from West Virginia.

The VICE PRESIDENT. Is there objection?

Mr. CAPEHART. I intend to vote for the bill, and I intend to vote for the amendment. That is more than the able Senator from Illinois intends to do. He is going to vote against the amendment.

The VICE PRESIDENT. The Senator yielded only for a question.

Mr. DOUGLAS. As for me, the choice is clear. I want slum clearance and housing for 4,000,000 people. I want it for all groups, regardless of race, creed, or color. I should like to point out to my Negro friends what a large amount of housing they will get from this act.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Is the Senator going to vote for the amendment?

Mr. DOUGLAS. No; I am not going to vote for the amendment.

I should like to point out to my Negro friends what a large amount of housing they will get under this act. At present Negroes occupy approximately 46,000 dwelling units in Federal Housing projects, or about one-third of the total. This does not mean that the Negroes, who form only one-tenth of the total population, have been unduly favored. Because of their poverty and the bad quarters in which many of them live, they need a third of the units. It does show, however, that the American cities as a whole have not discriminated against the Negroes in providing quarters for them.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield. I feel as though this afternoon I were the bull in a Spanish bull ring, with the banderilleros opposite throwing in the darts. But I have learned to develop a thick hide; and the toreador, the matador, the bandellero, or what have you, can now cast his darts.

(Manifestations of applause in the galleries.)

The VICE PRESIDENT. The occupants of the galleries are not permitted to engage in demonstrations of any sort.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. I should like to ask a question; the Senator can call it a question from a banderillero or anything he wishes to call it; but I still am a Member of the Senate of the United States, and when the Senator from Illinois states that he is in favor of all these things, but then says he will not vote for them, I think I have a right to question him so that I can learn where he stands.

Mr. DOUGLAS. Certainly.

Mr. WHERRY. I should like to ask this question of the Senator—

The VICE PRESIDENT. Does the Senator from Illinois yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. WHERRY. Does the junior Senator from Illinois think that if this bill passes without this amendment, one Negro family will have an opportunity to obtain quarters in any of the units which are to be built under this bill?

Mr. DOUGLAS. I certainly do.

Mr. WHERRY. Then why is the Senator from Illinois afraid to put it into the law?

Mr. DOUGLAS. Let me point out that of the approximately 140,000 units constructed by the Federal Housing Authority, I believe, exclusive of those originally built by the Public Works, 46,000 are now occupied by Negroes, or one-third of the total, despite the fact that Negroes form one-tenth of the population; and in virtually every southern city that I know of, dwellings have been constructed for Negroes.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I am glad to yield.

Mr. WHERRY. But in those units, Negroes are segregated; are they not?

Mr. DOUGLAS. That is true.

Mr. WHERRY. Then I renew the question. Here is a question for the local community to decide, through the Housing Authority. I ask this question of the Senator, most respectfully: Does he feel that these units can be built and handled in such a way that a Negro family can have an opportunity to move into quarters in them, and, if so, why is not the Senator from Illinois in favor of writing such a provision into the law? What objection is there to doing so?

Mr. DOUGLAS. Because the South believes, I hope, in the principle of equal treatment for the races, but does not believe in intermingling the races. As I said to the Senator from Georgia during the debate a month ago, I think they see things from the wrong perspective, but it is their choice.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield for a question.

Mr. TOBEY. A moment ago the distinguished Senator from Illinois spoke of the bull fight and the toreadors and the gay banderilleros, and so forth. Is it not true that what was really in the heart of the Senator from Illinois was that he wanted to shy away from those who were trying to throw the bull? [Laughter.]

The VICE PRESIDENT. The Senate will be in order.

Mr. DOUGLAS. I welcome the wit of the Senator from New Hampshire.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I am very glad to yield for a question.

Mr. WHERRY. The Senator from Illinois not only shied away, but he has not even answered my question as yet.

Mr. DOUGLAS. I think I have.

Mr. WHERRY. Then does the Senator from Illinois feel that if there is to be equal opportunity in the case of the

units to be authorized under this bill, even though such a provision is not contained in the statute, Negro families will have the same right that white families will have to occupy these units? Is that the Senator's statement?

Mr. DOUGLAS. The Negroes should have the same right that whites have for decent housing, according to their need.

Mr. WHERRY. Will they get it under this bill?

Mr. DOUGLAS. They will.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MAYBANK. I wish to ask the Senator a question. Did he notice in the CONGRESSIONAL RECORD a statement that when the hearings on housing were commenced before the Banking and Currency Committee, at the meeting of the full committee the chairman placed in the RECORD a statement showing the number of Negro units in Columbia, S. C., and in Charleston, S. C., and showing that there were more Negro units in Columbia than units for whites, and that in Charleston the number for Negroes was equal to the number for whites, although the populations of both of those cities are predominantly white?

Mr. DOUGLAS. Yes; and when the distinguished Senator from South Carolina was mayor of Charleston, as I recall, he constructed in that city two of the earliest public-housing units. One was for Negroes and one was for whites; and he gave equal treatment to the Negroes in that respect.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. DOUGLAS. I am glad to yield.

Mr. WHERRY. Of course, that was under an authorization where provisions were made for segregation. However, I am speaking of the pending bill. Does the Senator from Illinois feel that under this bill the decision as to whether any units will be built for Negroes is to be left with the local housing authority, to be reaffirmed by the Housing Authority in Washington?

Mr. DOUGLAS. That is correct. But the Federal Housing Administrator could refuse to authorize the construction of projects which were unduly weighted in favor of one group.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I should like to ask the Senator from Illinois whether he is familiar with a statement by the National Council of Negro Women, with offices at 1318 Vermont Avenue NW., Washington, D. C.

Mr. DOUGLAS. I have a copy of the statement, but I shall be glad to have the Senator from Minnesota explain to the Senate what it is.

The VICE PRESIDENT. The Senator from Minnesota cannot do so in the time of the Senator from Illinois, under the guise of a question.

Mr. DOUGLAS. Then, Mr. President, I would reply to the distinguished Senator from Minnesota that I do know of that statement, which has been issued



by the National Council of Negro Women, under date of April 12. The president of that organization is Mrs. Mary McLeod Bethune, certainly one of the leading Negro women of the country. Mrs. Bethune says their organization is opposed to the so-called Bricker amendment because they believe it would kill the housing program.

I hope the distinguished junior Senator from Ohio will excuse me if I read some of the statements contained in this letter. The words used in it are not my words, but are Mrs. Bethune's words; I wish to make that point clear.

It says:

Can we put our trust in the Cain-Bricker move—clearly calculated as it is to kill public housing? \* \* \* Or do we work with our proven friends?

The answer they give is that they should oppose this amendment, as proposed, and should favor the passage of the bill without it.

I also have on my desk an article from the Chicago Defender, one of the largest Negro newspapers in the country, under date of April 9, opposing this amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. In reference to the question asked by the distinguished minority leader, the Senator from Nebraska [Mr. WHERRY], as to the number of houses or housing units which would be available to Negroes under Senate bill 1070, is not it true that according to the estimates made by the National Council of Negro Women, an organization which of course is fundamentally interested in the housing of more Negroes, under this bill, if housing for them is constructed in the same proportion as under the United States Housing Act of 1937, the American Negroes would receive 279,000 of the new homes?

Mr. DOUGLAS. That is correct; and those 279,000 houses would house approximately one and one-third million Negroes, or nearly 10 percent of the Negro population of the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. Let me make this comment in prefacing my question: One of the distinguished leaders in the field of housing, a fighting lawyer in New York City, is Charles Abrams. He has had a great deal to do with the construction of Stuyvesant Town. I should like to ask the Senator from Illinois whether, as he has looked over the statement of the Council of Negro Women, he is familiar with what Charles Abrams had to say, and whether for the purposes of the Senate he would read what Charles Abrams had to say in reference to the pending amendment?

Mr. DOUGLAS. I shall omit the personal references in the statement by Mr. Abrams.

Mr. HUMPHREY. I think that is desirable.

Mr. DOUGLAS. I shall say that Charles Abrams, writing in the New York Post, declared:

If the device—

In other words, the Cain-Bricker amendment—

succeeds, it will become the forerunner of a whole series of efforts to use the civil-rights issue as an instrument for killing off civil reform.

He goes on to say that the civil-rights fight—

must be made on many fronts, but in choosing the front there is no compulsion to accept the one the enemy designates.

I want to say immediately that I do not regard the Senator from Ohio, of course, as being in any sense such an enemy. I am simply quoting Mr. Abrams. I want to make that very clear.

Mr. HUMPHREY and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I should like to yield to the Senator from Minnesota first.

Mr. HUMPHREY. I wonder whether the junior Senator from Illinois has this statement by Charles Abrams, referring to the amendment:

The Cain-Bricker maneuver is made not to advance equality but to destroy public housing. If it succeeds, it will have killed the program which has done more to point the way to real nonsegregation than any other measure in our time.

Mr. DOUGLAS. That is a continuation of the statement which I have read thus far.

Mr. HUMPHREY. Mr. President, may I merely ask one clarifying question?

Mr. DOUGLAS. I am very glad to yield.

Mr. HUMPHREY. Is it not true that under the statutes of our Nation, under the United States Code, we have basic civil-rights protections which can be applied, and are being applied, by the courts of the United States and by the executive departments?

Mr. DOUGLAS. I think there was a civil-rights law in 1866 on this issue.

Mr. HUMPHREY. I thank the Senator.

Mr. WHERRY and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I think I should yield first to the Senator from Nebraska.

Mr. WHERRY. In view of all the observations made by the junior Senator from Minnesota and the statements made by the junior Senator from Illinois, I ask the Senator once again, if all those rights are guaranteed, if all this building were done under the Housing Act passed by the former Congress, which I helped pass, and which has worked satisfactorily, why cannot this matter be worked out in the pending bill? And if it can be, what is wrong about adopting the proposed amendment?

Mr. DOUGLAS. I will tell the Senator what is wrong with it. It would throw away 30 votes, or at least 25 southern votes, without any commensurate gain in support from across the aisle.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DOUGLAS. I yield.

Mr. WHERRY. But the local housing authority has the right to build the units. The local authority has the determination. The corporation or the local individual makes the application. It does not mean that all the units will be taken over by the people of any particular race or color.

Mr. DOUGLAS. No.

Mr. WHERRY. But the right is vested in the local authority. All that is proposed by the amendment is that there shall not be segregation. What is wrong with that? Addressing myself to Senators who have been in favor of the civil-rights bills, I inquire, what is wrong with that? It is up to the local authority to make the determination. Why not write it into the bill, if Senators mean what they say?

Mr. DOUGLAS. If it related only to the city of Chicago, I should vote for the Bricker amendment, to be applied to local housing projects in the city of Chicago.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DOUGLAS. I yield.

Mr. WHERRY. That is exactly what is provided. We provide the authority. The application to the Federal Government must originate with the local authority. That is the great burden of the pending legislation. According to the preamble, when private enterprise fails, and when the local community needs housing projects, the local community must originate the application, for it is wholly within its power, we were told the other day. I ask the Senator whether he was on the floor when I addressed certain questions to the Senator from Alabama [Mr. SPARKMAN]? He said, "The Federal Government has nothing to do with it. It originates with the local community." The local community makes the application and it issues the bonds. The local community decides who may live in the houses. The local community decides for whom the Government is going to build the houses. I ask the Senator, if that be true, and amendments are being written into the bill, why not write into it that there shall be no discrimination? It is solely within the power of the local community, through its local authorities, to do as it chooses about building units for people of all classes. If the Senator is not for that, he is not for the purpose of the bill, he is not for the people in the slums, he is not for those he is trying to help.

Mr. LONG and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I should first like to reply to the Senator from Nebraska. While I am a new Member of this body, I have certainly had sufficient experience to enable me to know the meaning of language. I should like to remind the



distinguished Senator from Nebraska that on page 2 of the amendment it is stated that every housing project must be operated "without discrimination or segregation." This would mean that in every single housing project of the South there would be a necessary intermingling of the races. And consequently, southern Senators would vote against the bill, and we would have no slum clearance or public housing. I should like to say—

Mr. WHERRY. Mr. President—

Mr. DOUGLAS. May I finish, please?

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska for a question?

Mr. DOUGLAS. I am delighted to yield for a question.

Mr. WHERRY. I thank the Senator. It is up to the local housing authority, is it not?

Mr. DOUGLAS. Under the amendment a community cannot get any housing unless in each housing unit asked for there is to be no segregation.

Mr. CAPEHART. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Indiana for a question?

Mr. DOUGLAS. I yield.

Mr. CAPEHART. Does the able Senator from Illinois know that the National Association for the Advancement of the Colored People, headed by Mr. White, is for the Bricker amendment?

Mr. DOUGLAS. I think that is perhaps true. I have great respect for Mr. White, myself.

Mr. CAPEHART. Will the Senator read what they say, if I should hand the copy to him?

Mr. DOUGLAS. I should be very glad to have the Senator from Indiana read it.

The VICE PRESIDENT. The Senator from Indiana cannot read it under the guise of a question.

Mr. DOUGLAS. I should be very glad to read it for him. The Senator from Indiana has just handed me page 4,886 of the CONGRESSIONAL RECORD for April 20, containing a release which the Senator from Indiana put into the RECORD, quoting, "A press release which is undated, but which is issued by the Washington Bureau of the NAACP," under date of April 18. Would the Senator from Indiana like to have me read it verbatim?

Mr. CAPEHART. I shall leave that to the Senator.

Mr. DOUGLAS. I shall be very glad to do so. I want to see that the Senator from Indiana gets full justice.

It reads as follows:

In telegrams to the Democratic majority leader, Senator SCOTT W. LUCAS, and Senator KENNETH S. WHERRY, Republican minority leader, the National Association for the Advancement of Colored People urged support not only for the amendment proposed by Senator JOHN W. BRICKER, Republican, Ohio, to the multimillion dollar public housing bill prohibiting segregation in public housing projects but asked for a broader amendment to cover all federally aided housing, public and private.

The telegrams, signed by Leslie S. Perry, Washington representative for the NAACP, said—

That apparently is not Mr. White, but it is Mr. Perry. It continues:

When the NAACP representative testified before the Senate Banking and Currency Committee on the housing bill, S. 1070, among other amendments advocated was one to prohibit racial segregation in Federal public housing.

We have studied the antisegregation amendment proposed by Senator BRICKER and believe as framed it would correct part of the serious housing situation confronting racial and other minority groups.

Federal funds should not be used to aid or subsidize by loans, grants, insurance, or any other means any housing, public or private, which segregates or otherwise discriminates against eligible citizens because of race, color, creed, or national origin.

We, therefore, urge support not only for the Bricker amendment but a broader one to cover all federally aided housing contemplated by the bill.

Since various public charges have been made regarding Senator BRICKER's motives in proposing the amendment—

I desire to say that I have not only never made such charge publicly or privately, but I have never questioned his sincerity, either publicly or in private. The telegram goes on to say—  
the association desires to point out that it looks to the legal effect of a proposed amendment or law; it does not probe the secret motives of the sponsor.

I shall go even further and say that I feel certain the motives of the junior Senator from Ohio are worthy in this respect.

Mr. CAPEHART. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. DOUGLAS. I am delighted to do so.

Mr. CAPEHART. Does the Senator not know that the National Negro Council likewise is supporting the Bricker amendment?

Mr. DOUGLAS. I think that is correct.

Mr. CAPEHART. Will the Senator likewise, for the benefit of Senators, read a statement addressed to them in that respect?

Mr. DOUGLAS. I shall be delighted to do so. This seems to be a process in which I do the reading lessons for the Senator from Indiana, on this issue.

Mr. CAPEHART. I should be happy to read it, but I am not permitted to do so under the rules.

Mr. DOUGLAS. I shall be delighted to do so. I cannot read it as well as could the Senator, but I shall try to read it as loudly. It reads as follows:

COPY OF RESOLUTION SENT TO SENATOR LUCAS, MAJORITY DEMOCRATIC LEADER, SENATOR MYERS, DEMOCRATIC WHIP, SENATOR TAFT, CHAIRMAN, MINORITY POLICY COMMITTEE, AND SENATOR WHERRY, MINORITY REPUBLICAN LEADER, DEMANDING SUPPORT OF BRICKER ANTIDISCRIMINATION AND ANTISEGREGATION AMENDMENT IN MULTI-BILLION-DOLLAR NATIONAL HOUSING LEGISLATION BY THE NATIONAL NEGRO COUNCIL

The civil rights conference of the National Negro Council, in a resolution, protested the unanimous action of the Senate Democratic caucus in ordering the defeat of the Bricker antidiscrimination and anti-segregation amendment, proposed for inclusion in the multi-billion-dollar national

housing legislation. This apparent public and open conspiracy to sabotage the constitutional guaranties of equal rights to 13,000,000 Negroes, would actually give official sanction for all time to come to such denial of their civil rights in the pending housing bill.

Such Senate action on the heels of the filibuster debacle by the Democratic majority of the Eighty-first Congress would serve notice of the complete repudiation of the President's civil-rights promises and the platform pledges of the Democratic National Convention in Philadelphia last summer.

The civil rights conference, therefore, calls upon the Democratic and Republican leadership in the Senate, in keeping with the civil-rights pledges of both parties in their platforms and in this first opportunity for a direct vote on civil rights for Negroes in the Senate, to support the enactment of the Bricker antidiscrimination and anti-segregation amendment as part and parcel of the national housing legislation or stand exposed for political insincerity and co-partners with the Democrats in perpetuating the present Federal housing policies of racial discrimination and segregation.

EDGAR G. BROWN,

Director, National Negro Council.

I should like to say in reply to these statements that I think both gentlemen are mistaken. I am ready to appeal to history and to time that it is in the best interest of the Negro race that we carry through this housing program as planned, rather than to put in the bill an amendment which will inevitably defeat it and defeat all hope for rehousing 4,000,000 persons.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I shall be very glad to yield to the Senator from Louisiana.

Mr. LONG. Does the Senator realize that a large number of very excellent housing facilities have been constructed in the South exclusively for Negroes, and that many of the Negroes are very well pleased that the facilities have been built for Negroes and that the Negroes do not have to mix with the white people?

Mr. DOUGLAS. I shall not go into the question of segregation. My views on that question differ from those of Southern Senators. I may say that we of the North should not try to sabotage housing in order to adopt an amendment the effect of which would be to defeat housing.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me finish first. As a boy I used to read Alice in Wonderland. It is a good book for everyone, including United States Senators, to read. The Senators will probably remember the passage in Alice in Wonderland describing the smile of the Cheshire cat, which continued after the cat itself had faded from sight. That smile was not very substantial. There cannot be a smile without a Cheshire cat. On the question of housing, let me say that nonsegregated housing, without a housing bill does not amount to anything—and I follow the example of the Senator from North Dakota [Mr. LANGER] by pounding the desk to emphasize that point.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am happy to yield to the Senator from Indiana.



Mr. CAPEHART. Who will vote against the housing bill if this amendment should be adopted? Why is the Senator so certain that the bill will be killed? Who is helping to kill it?

Mr. DOUGLAS. I am a proud resident of the Middle West, but I happened to grow up in Yankee Land, in the State of Maine. A Yankee proceeds to answer one question by asking another, and I should like to answer the Senator's question by asking, Would the Senate vote, and would all the Senators around him vote, for this bill even if it included the Bricker amendment?

Mr. CAPEHART. Mr. President, I stated a moment ago that I would vote for it. I shall vote for it with or without the Bricker amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall gladly yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. The question has been repeatedly put to the Senator from Illinois with reference to the defeat of housing if the Bricker amendment should be adopted, and reference has been made, apparently, to the question of defeating the bill. What I want to ask the Senator from Illinois is this: It is true—is it not—that no housing project is to be imposed upon an city or any local housing authority, but it is to be placed there only upon application of the local authority?

Mr. DOUGLAS. That is correct.

Mr. SPARKMAN. Is it not merely good, practical sense, which we might as well recognize right here, that if the bill should pass and become law with an anti-segregation amendment in it, no city or town in Southern States, where segregation is a custom and tradition, and, in most of those States, a part of the law, would have any housing project applied for; and is it not also a fact that that the South is the place in which the Negroes most need housing?

Mr. DOUGLAS. The Senator from Alabama, as always, states the case accurately and with precision.

Mr. SPARKMAN. Is it not true, then, that for all practical purposes, public housing, certainly so far as the Negro is concerned, would be defeated, bill or no bill, law or no law?

Mr. DOUGLAS. That is correct.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield to the distinguished Senator from New York.

Mr. IVES. The Senator from New York does not want to enter into any debate that would in any way do damage to the bill itself, because the Senator from New York favors the bill, but the Senator from New York would like to ask the distinguished Senator from Illinois a question which, I think, is rather far reaching. Assuming the pending amendment comes to a vote and is rejected, will not its rejection be at least an implication, if not a direct indication, that the Senate of the United States condones and approves segregation and discrimination in public housing?

Mr. DOUGLAS. I do not believe that any such implication or inference can be drawn. I do not believe in segregation in public housing. We are moving away from it in the North, and we shall continue to move away from it if this bill is passed. It is simply that we who oppose this amendment place the cause of existent housing as the most important thing, and we do not want to endanger it by adopting a provision which will throw the whole South into opposition to the measure. I think, as a northerner, I perhaps can speak on this subject, because, without indulging in mock heroics in the slightest, I know that I am taking a political hazard in making this speech.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall gladly yield to the distinguished Senator from New Hampshire.

Mr. TOBEY. Referring to the remarks of our distinguished friend from New York, I ask this question: In view of the fact that the court always looks at the committee hearings and the record of debate on the floor in considering legislation, will not any fair-minded person examine the record and see the motivating purpose behind the legislation?

Mr. DOUGLAS. That is the reason I rose today to speak. Some persons have been telephoning me all day long, saying, "Do not speak on this issue, because whatever you say will be misunderstood and used against you." But I felt it was important to make the issue clear. Every Senator knows what the issue is, but the public does not know, and the courts may not know what the issue is. That is why I rose and, in my humble and incomplete way, tried to make clear what is the real issue.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. Is it not true that insofar as public housing is concerned, segregation would not at all amount to discrimination, for the reason that the housing facilities would be the same, whether they were constructed for white persons or colored persons?

Mr. DOUGLAS. I should like to say to my good friend from Louisiana that I think white men should realize the feelings black men inevitably have when they are told that because of the fact of color they are marked off, isolated, and cannot associate with white persons. I think the pain of being a black man in the United States of America is very great. So I do not think the Senator from Louisiana should excuse the southern position on that point by saying that Negroes want to be segregated. Perhaps some of them do; but, certainly, every man has the desire to be treated as a human being and accepted on his individual merits. As I say, I am between Scylla and Charybdis. I hope the classical Senator from New Hampshire [Mr. TOBEY] will correct me if I am wrong. I have been between Scylla on that side, and Charybdis on the other side, and it is quite possible that my ship will strike a rock somewhere between.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the group from Scylla.

Mr. KNOWLAND. Mr. President, I should like to ask the distinguished Senator if I correctly understood him to say that the amendment would endanger the legislation for the simple reason, as was pointed out by the Senator from Alabama, that the States where the need is great would take advantage of the situation. Is that correct?

Mr. DOUGLAS. That is only a part of the story. It would prevent any public housing in the South. In my judgment, it would also probably defeat the purpose of the bill in the North itself and would result in no housing for the North, because, while I very much appreciate the generosity of the Senator from Indiana, my neighbor, I cannot believe that he speaks for any considerable number of the 25 or 30 Senators on the other side of the aisle who generally have an affinity for each others views.

Mr. KNOWLAND. Mr. President, I should like to ask the able Senator from Illinois a question. In view of the statement he previously made that had this been Chicago he would have felt differently about the question we are discussing, and since the Senator from Illinois is on the floor of the United States Senate in a dual capacity, first as a Senator of the United States legislating for the entire country, and secondly as, in effect, a member of the municipal governing body of the city of Washington, I ask him whether he would feel that there was a different situation presented if an amendment were offered which would provide that in the Nation's Capital, the capital of the United States of America, no public housing should be built under segregated conditions. A few days ago the able Senator from Maryland and the able Senator from Michigan were talking about making the United States capital a kind of an example to the country. Would the able Senator from Illinois support an amendment providing that no public housing built within the District of Columbia should be segregated?

Mr. DOUGLAS. Mr. President, with full sense of the solemnity of my words, not as having any importance as coming from myself, I can say that I would support such an amendment. I think we have an obligation to realize that Washington is not merely a southern city, or a border city, but that it is the National Capital, and I think such a provision as that indicated by the Senator would be proper as coming from the Congress in the capacity of a municipal body, and I would vote for it.

Mr. CAPEHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. DOUGLAS. I should like to point out, if I may, that I have tried to be extremely generous to those who have asked questions. I had a prepared statement which I had hoped I could finish in 15 minutes. I recognize that as a freshman Senator, I should not take



too much of the Senate's time, and I hoped to conclude very shortly. I have been on my feet almost an hour and nearly all the time has been taken up in discussion with other Senators. I think I have shown that I am ready to answer questions, but in simple justice and kindness I should like to ask that I be permitted to complete my address, and then if my unworthy remarks justify any questions, I shall endeavor to reply.

Oliver Wendell Holmes began the Autocrat of the Breakfast Table by saying, "As I was saying when I was interrupted." As I was saying when I was interrupted some half hour ago, to me the choice is clear. I want slum clearance, and housing for 4,000,000 people. I want it for all groups, regardless of race, creed, and color.

I should like to point out to my Negro friends what a large amount of housing they will get out of this act. At present, Negroes occupy approximately 46,000 dwelling units in Federal housing projects, or about one-third of the total. This does not mean that the Negroes, who form only one-tenth of the total population, have been unduly favored. Because of their poverty, and the bad quarters in which many of them live, they needed a third of the units. It does show, however, that the American cities as a whole have not discriminated against the Negroes in providing quarters for them.

I would expect that this approximate ratio will continue in the future, so that the Negroes stand to get under the proposed act about 270,000 dwelling units, or enough to house about one and one-third million people. This is nearly one-tenth of the Negro population of the country. I should like to ask those who are opposing my stand if this is something which should be lightly turned down. We have the chance to build a happier home life and to reduce the sickness and deaths amongst the Negro community by passing this bill and by providing for 1 out of every 10 Negroes. Is this not more important than asserting the right to nonsegregation in houses which will not be built? I prefer the substantial benefits which the act will bring. As we raise the level of housing, health, and education for Negroes and whites alike, and open up job opportunities more broadly, the severity of many of our race problems will be lessened, and we will find that the groups will be able to live in the same communities on better terms.

It should also be noted that the increase in public housing in the North will decrease the total amount of segregation which now exists. We northerners should be frank to admit that most of our communities do practice many forms of segregation. It is not done as openly or as sharply as in the South, but it is practiced. But the point is, and it is an important one, that we are ashamed of it in our hearts, and that we are seeking to reduce it. The trend in the North is away from segregation, and while we have all varieties of practices in the housing authorities, we are moving away from it there. Some cities like Detroit, I believe, do practice segrega-

tion, but others like New York, Pittsburgh, Chicago, and Los Angeles do not. And it may be interesting to know that after the initial shock is over, no alarming consequences result.

I should like to call the attention of my southern friends to this statement, which I repeat, that after the initial shock is over, no alarming consequences result. Both sides settle down and discover that those in the other group are not bad fellows after all. To defeat more housing by adopting the Bricker amendment would, therefore, actually prevent the development of this tendency toward better understanding between the races in the North and West.

It seems to me that we shall make more progress if we build up, as I have said, the general level of housing, education, health, and job opportunities. I cannot believe that those groups are wise who in trying to get everything at once defeat the possibility of getting something substantial now. We should not try to legislate on everything at once. There are some problems which we can leave to the future.

I have quoted the attitude of the National Council of Negro Women, the Chicago Defender, and the material from the NAACP and the National Negro Council.

There is one final note on which I should like to conclude. I think we northern Democrats have shown that we are not demagogues trying to get votes at any price.

We could take a demagogic position on this bill, go with a whoop hurrah for the pending amendment, and pretend to be for both public housing and against segregation. That would be vote-getting tactics to adopt, so far as the North was concerned. It would certainly be vote-getting tactics so far as my own State of Illinois was concerned. I do not want to pin too many roses on us, but I want to say that we have not acted that way.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Minnesota.

Mr. THYE. Would the Senator be so generous as to include a few of the northern Republicans in the very generous statement he made concerning the northern Democrats?

Mr. DOUGLAS. I would most certainly do so. And I do not want the Senator from Ohio to think that I am saying that those who favor the amendment are demagogues. I do not mean that at all, and I hope he will not think so, because that is not in my thought. But I do want to say that those of us who are opposing the amendment, at political risk, cannot be accused of being demagogues.

Mr. BRICKER. Mr. President, the Senator does not pose as an expert on who is and who is not a demagogue, does he?

Mr. DOUGLAS. Certainly not, and I did not want to indulge in too much self-laudation. What I am going to say is primarily for my southern brethren, because I am coming to them in a moment. What I say is that we northerners, Republicans and Democrats alike, who vote

against the amendment, are not demagogues.

All we are seeking is the welfare of our country as we see it, but as we decline to make political capital out of this issue, and have exposed ourselves to attacks and misunderstandings amongst our constituents, we must assume a still greater moral responsibility for supporting the civil-rights program which we Democrats adopted at Philadelphia, and which the Republicans, perhaps in a little bit less definite language, but certainly, I would like to believe, with equal ardor in their hearts, adopted.

Mr. President, I should like to say to my southern friends that just as we have refused to make political capital out of this issue; they, too, should give a little. I do not know that I can thump the desk as vigorously as does my friend the senior Senator from North Dakota [Mr. LANGER], but I will do the best I can to emphasize my admonition. I want to say to my southern friends that if we decline to make political capital of this issue, they should not be so unyielding on civil rights. Give a little on your side.

Thus, having made everyone angry [laughter], and probably having cut my political throat from ear to ear, but having tried to speak the truth as I see it, at long last I sit down.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Ohio [Mr. BRICKER] for himself and the Senator from Washington [Mr. CAIN]. The Chair would like to explain to the Members of the Senate that the yeas and nays were ordered on the amendment; the roll call was in progress, but no Senator had voted, and the Senator from Illinois [Mr. DOUGLAS], who rose to address the Senate, was thus entitled to the floor.

Mr. MORSE. Mr. President, I wish to take just a minute or two to commend the Senator from Illinois [Mr. DOUGLAS] for what I think has been a very magnificent and courageous speech on a very difficult political issue. I wish to associate myself with him in his analysis of the Bricker amendment. It is my view that irrespective of whatever motivation there may be behind this amendment—and I am not one who attributes motives to people—the amendment is, in effect, one of political strategy, as the Senator from Illinois has pointed out. I think the adoption of the amendment would make perfectly certain the defeat of public housing in this session of Congress. The wording of the bill itself places the primary responsibility in the local municipalities to proceed with applications for funds under the bill. As has been brought out by the Senator from Alabama, the adoption of the amendment will result in no applications for housing projects being filed in the Southern States.

I am concerned also, Mr. President, with this sort of parliamentary strategy as represented by the Bricker amendment in connection with other great pieces of social legislation to be voted upon during this session of Congress. I mention one for illustration purposes. I say that if it is proper to attach this type of amendment to the particular bill now



pending before the Senate, the same parliamentary strategy can and probably would be used in connection with Federal aid to education legislation. By such a parliamentary device an attempt could be made to defeat a bill for Federal aid to education. The use of such civil-rights amendments to various pieces of social legislation would not solve the great civil-rights issue which confronts this Congress but would succeed in defeating needed social legislation so that we can get ourselves into a better position to win the civil-rights fight.

As a member of the board of the National Association for the Advancement of Colored People I wish to say here this afternoon, Mr. President, that I completely disagree with the officers of that association in respect to their request that we vote for the Bricker amendment. I am satisfied that a vote for the Bricker amendment is not in the interest of the colored people or in the interest of advancing civil-rights legislation through the Senate of the United States.

I stand ready, as I always have stood ready, to meet the issue of an over-all civil-rights program whenever a majority of the Members of the Senate are willing to go forward with an all-out fight for a civil-rights program. But as a civil righter in the Senate of the United States I am not going to be a party to or give support to an amendment which amounts to a bit of embarrassing political strategy, and which in my judgment will have the effect, not of advancing civil-rights bills, but of retarding them.

Mr. TAYLOR. Mr. President, after having been in the United States Senate for something over 4 years, and having observed the actions of the Senate, having seen what can happen here and what does happen here from time to time, I am afraid I cannot agree with the junior Senator from Illinois when he says that Senators might profitably read Alice in Wonderland. Witness what is happening here today. A number of Senators, all of whom I believe are absolutely sincere in their support of civil-rights measures, yet find themselves—I might say we find ourselves, because I am one of them—in the position of voting against a measure put forward as a proposal to further equal rights and prevent segregation. However, Mr. President, I must agree with the statements which have been made on the floor in the past few minutes that the amendment would accomplish nothing and possibly would destroy the housing bill.

I do not believe anyone can seriously question my devotion to the proposition that all men are equal; but I shall have to vote against the amendment. I do not believe this is the proper place to fight out this question. I am willing at any time, as the Senator from Oregon has just said, to fight out the issue of civil rights on its merits. If anybody can figure out a scheme whereby we can fight a filibuster with a counterfilibuster, I would be party to joining in the counterfilibuster if we could discover any way to make it effective. But to attach to the bill an amendment providing that there could be no segregated housing projects would result in killing the bill.

I have been approached by Negroes who said, "We would rather go down fighting here and now and not have any housing, than to compromise in this fashion." However, Mr. President, I must say that I believe those Negroes who spoke to me have houses, probably adequate houses, to live in. While I might feel that it would be better to go down fighting here, and now, and be for the amendment, and let the housing bill go out the door, I should remember that I also have a house to live in. A fairly decent house. I only have the house to live in. I have not paid for it. [Laughter.] So we cannot be too self-righteous and be ready to let other people go without housing in order that we may stand by our principles.

Mr. President, I believe Senators find out, before they are here very long, that they cannot take a stand and say, "Here I stand, and I will not move, and I will not compromise." Years ago in the West, when I had my show company, we were motorized, and in those days there were very few paved roads. I found out that when my car or my truck got in heavy mud, if I put it in low gear and tried to go ahead in spite of everything I did not get very far. I just bogged down and would stay there in the mud until pavements could be built on which I could drive away. If I composed enough, and rocked the car a little, and put it in second gear or high gear, I could generally get out of the mud and eventually reach the place where I wanted to go. The same principle applies here in the United States Senate.

So, Mr. President, reaffirming my firm belief that all men are equal, reaffirming my determination to fight to accomplish the goal of acceptance of that principle in this country, nevertheless at this moment I believe it is important that we secure housing for under-privileged families, black and white. I believe that is more important than to go down fighting and have no housing bill at all. But I want no housing administrator to construe my vote at any time as meaning that I am not in favor of civil rights, equal rights, and that possibly this vote in the United States Senate might be a mandate or even be construed as an acquiescence in segregation. We simply want a housing bill. We hope the administrators will prevent segregation wherever possible, wherever practical, and that we can proceed on the road toward a really free America, which I believe was envisaged by the founders of the Republic.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. TAYLOR. I am happy to yield to my good friend the very able Senator from Indiana.

Mr. CAPEHART. What makes the able Senator from Idaho so certain that there will be no housing legislation if this amendment is adopted?

Mr. TAYLOR. I went to school for 5 years, and I can add. That is what makes me fairly certain that there will be no housing bill if this amendment is adopted.

Mr. CAPEHART. If the able Senator were certain that the bill would pass, would he then support the amendment?

Mr. TAYLOR. If I were certain that the bill would pass with this amendment in it, I would certainly vote for the amendment.

Mr. CAPEHART. If the able Senator from Idaho, the able Senator from Illinois [Mr. DOUGLAS], and other Senators who are for civil rights were to speak in behalf of the amendment, if they were to make an effort to have it adopted, if they should try to influence other Senators, and become as crusading in this respect as they seem to be in other respects, might not the housing bill pass with this amendment in it?

Mr. TAYLOR. I am sorry to have to say to the able Senator from Indiana what I am about to say. I do not want any Senator to feel that I am questioning his motives, because I think that is against the rules of the Senate, but I am quite sure that those who are opposed to the amendment are not open to reason or to being convinced, no matter how eloquently I and other Senators might debate the issue. Therefore, I feel that it would be useless for me to make a speech in favor of this amendment. I do not think it would do any good.

While I am on my feet, I should like to say that I heard the junior Senator from Louisiana [Mr. LONG] say that a great many Negroes were very happy that the housing projects in the South had been established as segregated projects, and therefore the Negroes did not have to associate with white people. He stated that they would rather be left alone in their segregated housing projects. I cannot agree with the junior Senator from Louisiana. I believe that probably Negroes would be just as happy in their segregated projects. That is not the point. They do not want to have it said to them, "You must stay in a segregated project because your skin is black." Negroes are human beings, I believe. They have feelings, the same as we have, and they do not like to be discriminated against. I cannot accept the argument sometimes advanced by Southern Senators.

When I was in Alabama recently, everywhere I went the colored people whom I saw were very happy to see me. They wanted to shake my hand. They wanted my autograph. They did not do that because I was down there fighting for segregation in their housing projects. They wanted to shake my hand, and they were glad to see me, because they thought I was one man who was trying to see that they had the full rights of citizenship in this country and were accorded the dignity which they deserve as human beings and as American citizens.

Mr. LANGER. Mr. President, I intend to vote for this amendment. As I view it, a thing is either right or wrong. I have listened to the speeches of the Senator from Illinois, the Senator from Idaho, and the questions from the Senator from Minnesota. When we reach one of the first major tests, these northern Democrats who were going to do so much for civil rights run like scared rabbits. They do not dare to stand up and fight for the things which they themselves said a short time ago were right.



I hold in my hand the Democratic platform for 1940, the substance of which is the same as in 1948, which those Senators supported. What does that platform say?

We have launched a soundly conceived plan of loans and contributions to rid America of overcrowded slum dwellings that breed disease and crime, and to replace them by low-cost housing projects within the means of low-income families.

Our Negro citizens have participated actively in the economic and social advances launched by this Administration, including fair labor standards, social-security benefits, health protection, work-relief projects, decent housing, aid to education, and the rehabilitation of low-income farm families. We have aided more than half a million Negro youths in vocational training, education and employment.

We shall continue to strive for complete legislative safeguards against discrimination in Government service and benefits, and in the national defense forces. We pledge to uphold due process and the equal protection of the laws for every citizen, regardless of race, creed or color.

That is what the Democratic Party said, Mr. President, when they wanted votes, when they wanted the Negroes in Chicago to vote for them. That is the pledge they made then. But at one of the very first opportunities to carry out this pledge, I repeat, they run like scared rabbits. They could not run fast enough.

Mr. TAYLOR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. LANGER. I decline to yield at this time.

We come now to the United Nations Charter. I see sitting across the aisle from me Democrats who voted for the United Nations Charter. I was one of two Senators who voted against it. Yet after it was passed I said I would help to carry it out.

What does the United Nations Charter say about this kind of situation? I quote from the United Nations Charter, chapter I. Although Democratic Senators may not have read all of the United Nations Charter, it is a fair assumption that they have read chapter I, paragraph 3, which is on the very first page. When they voted for it they voted for this as one of the purposes:

To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character—

Mark the word "social," Mr. President. Today it is interpreted by one Negro group after another as meaning even inter-marriage. That is what the Senate voted for.

To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

The purpose is to promote and encourage respect for human rights all over the world, which certainly includes the United States. That is the United Nations Charter. Although I voted against

it I assumed that after it was adopted I would see Senators who voted for it carrying it out in a practical manner by walking on the streets of Washington with some of their Negro friends. Instead of that, 2 weeks later one of the very men who signed it voted against the abolition of the poll tax. How much confidence can the people of Asia have in this kind of document, for which we vote, and which we afterward flout?

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time.

One of the main arguments is that we cannot have everything at once. I listened with surprise to the distinguished Senator from Illinois say "that everything cannot be obtained at once." I well remember, Mr. President, 3 years ago answering an argument along that line. Three years ago a Negro child in Louisiana was allowed \$5 to \$12 and some cents for education for 1 year—Mr. President, may we have order? If certain gentlemen wish to engage in conversation, I have no objection, but I shall desist until they conclude.

The PRESIDING OFFICER. The Senate will be in order, and Senators will cease conversations. The occupants of the galleries will maintain order and will cease moving around.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time.

Mr. President, as I was saying, I remember very well, 3 years ago, answering the argument about not being able to obtain everything at one time. Three years ago a Negro child in Louisiana was allowed \$5.12 a year for education, and at that time a white child in Louisiana was allowed approximately \$57 a year for education, as I recall. The distinguished senior Senator from Ohio [Mr. TAFT] introduced an education bill. How well I remember that when I offered to it and amendment providing that colored children and white children should be allowed equal amounts of money for their education, some of the distinguished Senators on the other side of the aisle rose to—

Mr. LONG. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time.

Mr. President, as I was saying, at that time some of the distinguished Senators on the other side of the aisle rose to object to the amendment I offered. They said, "We will vote to allow a Negro child \$12, or perhaps more for education; but we will not vote to place him upon a basis of equality with white children."

The same argument is made to us today, Mr. President. At that time some of the distinguished Senators on the other side of the aisle were willing to raise the amount allowed for the education of colored children to an amount somewhat higher than \$12 a year; but—

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LANGER. I decline to yield at this time.

As I was saying, Mr. President, at that time some of the Senators on the other side of the aisle were willing to increase to some extent the amount allowed for the education of colored children, but they did not wish to have the Congress appropriate enough money to permit a colored child to receive an education equal to that received by a white child.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LANGER. I decline to yield at this time.

I think I can give the speech the distinguished Senator from Louisiana has in mind, Mr. President. He wishes to tell the Senate that today in Louisiana equal amounts are allowed for the education of white children and the education of colored children.

Mr. LONG. Mr. President, will the Senator yield for a question at this point?

Mr. LANGER. I decline to yield at this time.

The PRESIDING OFFICER. The Senator from North Dakota declines to yield.

Mr. LANGER. Mr. President, I think it is true that today in Louisiana equal amounts are allowed for the education of white children and the education of colored children. It took the Senator from Ohio a long time to educate the people of Louisiana to that view, but, thank Heaven, they finally became educated in that way.

Mr. LONG. Mr. President, will the Senator yield at this point for a question?

Mr. LANGER. I decline to yield for any purpose.

Mr. President, who knows more about that situation? Do the distinguished junior Senator from Illinois [Mr. DOUGLAS], the distinguished junior Senator from Minnesota [Mr. HUMPHREY], and my distinguished friend, the Senator from Idaho [Mr. TAYLOR], know more about that situation, or do Walter White, who for more than 25 years has headed the organization known as the National Association for the Advancement of Colored People, and others like him who have made a study of this Negro question? Do the Senators whom I have mentioned know more about the situation than does Hon. Edgar G. Brown, whose statement has been placed in the RECORD, and who for years has led a long, hard, courageous fight for the Negro people? Incidentally, Mr. President, he is the director of the National Negro Council, an organization with 2,000,000 members. So I ask, Who knows more about this subject? Is the matter best known by the several men I have just mentioned, who have made it almost their life work? They say, "We favor this amendment, and it is the first real vote on civil rights which has been presented to the Eighty-first Congress." But then we find the distinguished junior Senator from Illinois [Mr. DOUGLAS] saying that he would vote for it for application to the city of Washington, but not for application in the Nation. Mr. President, if it is good for the city of Washington, why is not it good for the entire United States of America? If it is right for application in the city of Washington, why is not it right for application in every one of the States of the United States of America?



Mr. President, in closing I simply wish to say that I am dismayed at the compromise on the part of these northern Democrats. I remember that at the last Democratic National Convention, the delegates pulled off their coats, rolled up their sleeves, opened their shirt collars, bared their breasts, and shouted at the top of their lungs that they would face the enemy in the battle for civil rights. They promised the Negroes in the 1948 campaign that they were going to change things in the United States for civil rights completely. However, at this time at one of the very first opportunities they have to make that fight, what position do they take? Mr. President, General RUSSELL and two or three or four of his southern Senator friends have started them to retreat, and they are running like scared rabbits, dodging hither and thither.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time.

So, Mr. President, I simply submit that men like Edgar G. Brown, Walter White, and others who have had years and years of experience with these matters, know what the colored people want and what they need and should have and someday God helping us, will get.

I have before me a picture showing the distinguished junior Senator from Illinois [Mr. DOUGLAS] with other Senators on a visit to the slums the other day. Of course they took a photographer along; the photographer was certainly the most essential person to make the entire trip. [Laughter.] I wonder what the people of Illinois will think when they see that picture of the distinguished Senator from Illinois and three or four other Senators in the backyard of a house occupied by a Negro family in Washington. I wonder what the people of Chicago will think when they learn that at one of the very first opportunities the Senator from Illinois and his associates among the northern Democrats had to fight in that cause and to vote for civil rights they fled in disorder, even before the attack on the part of some other Democratic southern Senators was launched.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Idaho.

Mr. TAYLOR. I wish to ask the Senator from North Dakota a question. Suppose he had two sons; and suppose one of them had died, for some reason or other; suppose the doctors told the Senator that they had a new serum that could very easily bring the dead son to life; and suppose they gave the Senator his choice, and said, "We can inoculate your dead son and bring him to life; or, if you wish us to do so, we shall shoot your live son, and then see what happens to him when we inoculate him with this serum."

Would the Senator say to them, "Just try out the serum on the dead boy," or would he have the doctors try it on both of them, and see what happened.

Mr. LANGER. I would have them try it on both of them. [Laughter.]

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. LANGER. I yield.

Mr. TOBEY. I thank the distinguished Senator from North Dakota for yielding.

Mr. President, attention has already been called to a photograph appearing yesterday on the front page of the New York Herald Tribune. That photograph and the article accompanying it call attention to the visit which certain Senators made to a Negro slum near the Capital. The statement has been made that the picture shows certain Northern Democrats looking at the Negro slums. However, Mr. President, common justice requires that I call attention to the fact that of the five Senators shown in that photograph, three of them are Northern Republicans.

Mr. LANGER. Mr. President, I did not say all of them were Democrats. I said the Senator from Illinois, accompanied by some of his colleagues, went there. However, we may note that the article describing the visit states that—

Senator PAUL H. DOUGLAS, Democrat, of Illinois—

And so forth. I may add that, in my judgment, if the Republican Party had fought in the Eightieth Congress for the principles of their platform, by which they were pledged to carry on the fight for the passage of an anti-poll tax bill and the passage of an antilynching bill and the passage of an FEPC bill, today the President of the United States would be not Harry Truman but the distinguished Governor of the State of New York.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Philadelphia Evening Bulletin of yesterday entitled "The Bricker Amendment."

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

#### THE BRICKER AMENDMENT

Senator BRICKER, of Ohio, is numbered among those stalwart Republicans who have consistently opposed Federal subsidies to provide housing for the low-income groups. With the prospect that many of his GOP colleagues will vote for the measure now before the Senate, the Ohio Senator tries to put the South against the bill by proposing an anti-discrimination amendment.

The intention is to put liberal Democrats and many Republicans on the spot. They do not want to be recorded as being in favor of racial discrimination, but they know the housing bill cannot pass if the South opposes it, as it will with the Bricker amendment.

There is no inconsistency in liberals of both parties voting down the amendment. They are on record as opposed to segregation. Liberals would show themselves to be impractical theorists if they allowed a maneuver such as BRICKER's to defeat an important liberal reform.

Actually Negroes would be far more benefited by the passing of a public housing measure than by a reaffirmation of the principle of nonsegregation. Large numbers of Negroes are among those who need a Federal subsidy to provide decent homes for them. The fight against racial discrimination will go on even if a political trick such as BRICKER's is defeated.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Ohio [Mr. BRICKER], for himself and the Senator from Washington [Mr. CAIN], which will be stated.

The amendment was, on page 28, and after line 11, insert the following:

(9) In recognition of the fact that public policy requires equality of treatment of all people and prohibits discrimination or segregation on account of race, color, creed, national origin, or ancestry in regard to public housing, every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that the housing project to which the contract refers shall be operated without discrimination or segregation. Any person who in the management or operation of such housing discriminates or attempts to discriminate against any person, family, or group of people on account of race, creed, or color shall be guilty of a violation of this section and shall be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both such fine and imprisonment. Any citizen or organization may enjoin the violation of this section in any court, State or Federal, of competent jurisdiction.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from Mississippi [Mr. EASTLAND], who is absent on public business, is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Indiana would vote "yea."

If present and voting, the Senator from Illinois [Mr. LUCAS], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate and is paired with the Senator from Missouri [Mr. KEM] who is absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay" and the Senator from Missouri [Mr. KEM] would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent. If present and voting, the Senator from Maine would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "yea."



The Senator from Indiana [Mr. JENNER] is necessarily absent and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Indiana [Mr. JENNER] would vote "yea" and the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

The result was announced—yeas 31, nays 49, as follows:

## YEAS—31

Baldwin	Hendrickson	Mundt
Bricker	Hickenlooper	Reed
Bridges	Ives	Saltonstall
Butler	Johnson, Colo.	Schoeppel
Cain	Knowland	Smith, N. J.
Capehart	Langer	Thye
Cordon	Lodge	Vandenberg
Ecton	McCarthy	Watkins
Ferguson	Magnuson	Wherry
Gillette	Malone	
Gurney	Martin	

## NAYS—49

Anderson	Hunt	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Long	Taft
Ellender	McClellan	Taylor
Flanders	McFarland	Thomas, Okla.
Frear	McKellar	Thomas, Utah
Fulbright	McMahon	Tobey
George	Maybank	Tydings
Hayden	Millikin	Williams
Hill	Morse	Withers
Hoey	Murray	Young
Holland	Myers	
Humphrey	O'Connor	

## NOT VOTING—16

Alken	Jenner	Neely
Brewster	Kem	Smith, Maine
Downey	Lucas	Wagner
Eastland	McCarran	Wiley
Graham	McGrath	
Green	Miller	

So the amendment offered by Mr. BRICKER for himself and Mr. CAIN was rejected.

## ANNOUNCEMENT AS TO PROGRAM

Mr. MYERS. Mr. President, many Senators have inquired as to what the program will be for the remainder of this afternoon and whether there is a possibility of finishing debate on the bill this evening. I have conferred with the proponents of the pending amendments and with the minority leader, and most of them believe that if we will remain here for a few hours we can finish the bill this evening. So I say to Senators who may have plans for the evening, that it is our intention to have the Senate remain in session. We are all very hopeful that we may be able to reach a final vote on the bill at a reasonable hour this evening.

Mr. MAYBANK. Mr. President, when the acting majority leader says the Senate will remain in session for several hours, I should like to ask him whether he means approximately 8 or 9 o'clock?

Mr. MYERS. I do not think it should take that much time. If there is not too much debate on the amendments, I think we should finish by 7:30 or 8 o'clock. There may be some delay because of colloquies and running debate. No one can predict the exact hour; but I hope we may get a vote on the final passage of the bill by 7:30 or 8 o'clock.

Mr. MAYBANK. I thank the Senator. I had purposely refrained from making any engagements this evening.

I have a few remarks to make which are not on the subject of the pending amendment or on the bill.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator is recognized for that purpose.

## RESIGNATION OF HON. KENNETH C. ROYALL AS SECRETARY OF THE ARMY

Mr. MAYBANK. Mr. President, it was with a feeling of personal regret that I learned of the resignation of the Honorable Kenneth C. Royall as Secretary of the Army.

I have known the Secretary and his family for a number of years. As private citizens of the Carolinas, the members of his family and the members of my family have been friends for years.

Kenneth Royall has served his country well during periods of both war and peace since the date of his birth, back in 1894, in Goldsboro, N. C. He received his A. B. from the University of North Carolina and his bachelor of laws from Harvard University law school. While at Harvard he became a Phi Beta Kappa and an editor of the Harvard Law Review.

Kenneth Royall served his country in uniform during the First World War with the Three Hundred and Seventeenth Field Artillery in France until his honorable discharge in 1919.

Having been admitted to the North Carolina bar in 1916, he returned to law practice and was later elected to the North Carolina State Senate where he served with distinction as chairman of the banking committee. It was during this time that he authored the North Carolina bank-liquidation statute.

In 1942 he was commissioned a colonel in the Army of the United States and named Chief of the Legal Section, Fiscal Division, Army Service Forces. He was later appointed by the President to defend German saboteurs captured and tried in this country. After serving overseas as a brigadier general, he became Special Assistant to the Secretary of War in April 1945, and Under Secretary of War 7 months later. For exceptionally meritorious services from May 1943 to November 1945, General Royall was awarded the Distinguished Service Medal.

He was appointed Secretary of War by President Truman on July 18, 1947, and exactly 2 months later under the operation of the National Security Act of 1947, he became Secretary of the Army.

For almost 2 years now Kenneth Royall has served his country and the National Military Establishment at Cabinet level. He has served with distinction and I, for one, shall be sorry to see him retire from the duties of this most important office.

In the best traditions of the service in which he served, Kenneth Royall has earned the right to a resounding "Well done."

Mr. McCLELLAN. Mr. President, I simply want to take a moment's time to associate myself with the remarks of the able Senator from South Carolina regarding Secretary Royall. I feel that his retirement and resignation are a distinct loss to the armed services of the Nation. I believe he has served ably,

and has certainly given a competent administration, and, in my judgment, national defense in America today is greatly strengthened by reason of the able services which he has given to his country.

## NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

Mr. BRICKER. Mr. President, I wish to offer another amendment at this time. It seems that the objection to the previous amendment was based on the word "segregation." I desire now to offer the following amendment to be inserted on page 28, after line 11:

(9) In recognition of the fact that public policy requires equality of treatment of all people and prohibits discrimination on account of race, color, creed, national origin, or ancestry in regard to public housing, every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that the housing project to which the contract refers shall be operated without discrimination. Any person who in the management or operation of such housing discriminates or attempts to discriminate against any person, family, or group of people on account of race, creed, or color shall be guilty of a violation of this section and shall be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both such fine and imprisonment. Any citizen or organization may enjoin the violation of this section in any court, State or Federal, of competent jurisdiction.

This amendment simply strikes out the word "segregation," which seems to have been the basis of the objection to the previous amendment, and puts in the word "discrimination." Certainly that brings it within not only the spirit but the actual letter of both platforms of the major parties and within the spirit of the campaign of last fall. There has been one vote taken which clearly shows that the fight a few weeks ago on the Senate floor regarding civil rights was, as I said yesterday, shadow-boxing.

Here is an opportunity to put our votes on record for or against discrimination in connection with this one program in which the Federal Government is using the taxpayers' money without imposing its authority upon any State or local government or upon any employer or employee in the Nation. So, Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, proposed by the junior Senator from Ohio [Mr. BRICKER], which will be stated.

The amendment was as follows:

On page 28, and after line 11, insert the following:

"(9) In recognition of the fact that public policy requires equality of treatment of all people and prohibits discrimination on account of race, color, creed, national origin, or ancestry in regard to public housing, every



contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that the housing project to which the contract refers shall be operated without discrimination. Any person who in the management or operation of such housing discriminates or attempts to discriminate against any person, family, or group of people on account of race, creed, or color shall be guilty of a violation of this section and shall be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both such fine and imprisonment. Any citizen or organization may enjoin the violation of this section in any court, State or Federal, of competent jurisdiction."

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll. Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], and the Senator from Delaware [Mr. FREAR] are absent on official business.

The Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from Mississippi [Mr. EASTLAND], who is absent on public business, is paired on this vote with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Indiana would vote "yea."

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senator from Delaware [Mr. FREAR], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate and is paired with the Senator from Missouri [Mr. KEM] who is absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay" and the Senator from Missouri [Mr. KEM] would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent. If present and voting, the Senator from Maine would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting the Senator from Maine [Mrs. SMITH] would vote "yea."

The Senator from Pennsylvania [Mr. MARTIN] is detained on official business. If present and voting, the Senator from Pennsylvania [Mr. MARTIN] would vote "yea."

The Senator from Indiana [Mr. JENNER] is necessarily absent and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Indiana [Mr. JENNER] would vote "yea" and the Senator from

Mississippi [Mr. EASTLAND] would vote "nay."

The result was announced—yeas 32, nays 46, as follows:

## YEAS—32

Baldwin	Gurney	Mundt
Bricker	Hendrickson	Reed
Bridges	Hickenlooper	Saltontall
Butler	Ives	Schoeppel
Cain	Johnson, Colo.	Smith, N. J.
Capehart	Knowland	Thye
Cordon	Langer	Vandenberg
Donnell	Lodge	Watkins
Ecton	McCarthy	Wherry
Ferguson	Magnuson	Williams
Gillette	Malone	

## NAYS—46

Anderson	Johnson, Tex.	O'Mahoney
Byrd	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kerr	Russell
Connally	Kilgore	Sparkman
Douglas	Long	Stennis
Ellender	McClellan	Taft
Flanders	McFarland	Taylor
Fulbright	McKellar	Thomas, Okla.
George	McMahon	Thomas, Utah
Hayden	Maybank	Tobey
Hill	Millikin	Tydings
Hoey	Morse	Withers
Holland	Myers	Young
Humphrey	Neely	
Hunt	O'Connor	

## NOT VOTING—18

Aiken	Green	McGrath
Brewster	Jenner	Miller
Downey	Kem	Murray
Eastland	Lucas	Smith, Maine
Frear	Martin	Wagner
Graham	McCarran	Wiley

So Mr. BRICKER's amendment was rejected.

Mr. BRICKER. Mr. President, I wish to offer one more amendment. The junior Senator from Washington [Mr. CAIN] has a companion amendment. His amendment applies to title I. My amendment applies to title II. They are in substance, however, the same, and call for the same action on the part of the Congress. My amendment is lettered "C." I call it up at this time.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, line 2, in section 205 of the bill, immediately preceding the quotation marks, it is proposed to insert the following sentence:

No contract for contributions under this act shall be entered into by the Authority except following specific appropriation by the Congress of funds for the first annual contribution called for by such contract.

Mr. BRICKER. Mr. President, the purpose of the amendment is to assure continuing control on the part of the Congress over the carrying out of the provisions of the act. If the bill is enacted into law, authorization will be made for the construction of so many housing units. The Housing Authority will have the power to enter into those contracts with the local agencies or the local authorities for the construction of a definite number of units each year, which may be increased or decreased by the President according to the circumstances at the time, the total being 810,000 units. My amendment would simply require that prior to the entering into of a contract for the construction of these housing units the first annual appropriation must have been made for the subsidy by the Federal Government.

The amendment would simply give continuing control by Congress over the spending of the funds, and would prohibit—or at least would not permit—the letting of so great a number of contracts to carry out which the agency would have to come before the Congress for a deficiency appropriation. The agency would be given a sufficient fund to enter into the contracts, and when they became firm, the money would be appropriated for the first year's subsidy to carry out the contracts.

Mr. CAIN. Mr. President, the junior Senator from Washington is very hopeful that the Senator from Alabama [Mr. SPARKMAN], who has done such excellent work as chairman of the subcommittee which wrote and reported the bill, will, if he is opposed to it, give to the Senate his opinion as to why the amendment should not prevail. The amendment merely provides that the Committees on Appropriations of the Congress shall make certain that the first year's contract with reference to any given project is properly, logically, intelligently and wisely designed before it is entered into.

Mr. SPARKMAN. Mr. President, I should like to say that while I had not intended to speak on the amendment, I shall be glad to do so when the Senator from Ohio has concluded his presentation with respect to it.

Mr. BRICKER. Mr. President, I had finished my presentation, and was wondering whether the chairman of the subcommittee might approve the amendment, which presents a business-like way of carrying out the program, so as to make sure that there is an appropriation for implementing the contracts before they are actually entered into.

Mr. SPARKMAN. Mr. President, I take very sharp issue with the last statement made by the able Senator from Ohio that the amendment presents a businesslike way of doing the thing. Just the opposite is true. I cannot conceive of anything which would be further from good business practice. In effect, what the amendment proposes to do is to provide that no project shall be started until the appropriation has been made by Congress.

How can a firm contract be made until the local housing authority knows that the Congress is going to support the project? Furthermore, we provide in the bill that there shall be built an average of 135,000 units a year. Let us assume that they are divided up into projects of 300 units each. That would be 450 different and separate contracts coming all through the year. If we adopt the amendment of the Senator from Ohio it would mean that Congress would have to stop and approve each one of the 450 separate contracts, and make money available for each one of the 450 separate contracts. The amendment would simply not be workable.

Furthermore, it requires a little time to plan the projects and to get them ready to go under contract. A contract simply cannot be started overnight. The local housing authority is not going to commit itself to the issuance of bonds and the pledging of its credit in order to embark



upon one of these projects, if it must depend upon subsequent action by Congress before the undertaking becomes valid.

Mr. President, it seems to me the plan is completely unworkable, and is anything but good business.

Mr. BRICKER. Mr. President, there is no reason why the Housing Authority and the local agencies could not negotiate contracts, and why the amounts could not be calculated, and why the results of the calculations could not be brought to the Congress of the United States for annual appropriation. Such action would not hold up the construction at all, but would give assurance to the local agency that when the contract is entered into the amount of money has already been appropriated for the first annual contribution, to carry out the Federal Government's end of the obligation. It would strengthen the contracts rather than weaken them. It would make the program a consistent program, continually under the authority of Congress. It would mean that we are not giving a blank check to the Housing Authority for the purpose of entering into unlimited contracts which may involve the Congress in obligations which it otherwise would not desire to enter into.

#### INVESTIGATION OF FOREIGN POLICY IN THE FAR EAST

Mr. KNOWLAND. Mr. President, I submit a concurrent resolution providing for an investigation of our foreign policy in the Far East.

The concurrent resolution (S. Con. Res. 30) was received and referred to the Committee on Foreign Relations.

Mr. KNOWLAND. Mr. President, the concurrent resolution provides as follows:

*Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint committee on the investigation of United States foreign policy in the Far East (hereinafter referred to as the "committee"), to be composed of 5 Members of the Senate (not more than 3 of whom shall be members of the majority party), to be appointed by the President of the Senate, and 5 Members of the House of Representatives (not more than 3 of whom shall be members of the majority party), to be appointed by the Speaker of the House. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.*

SEC. 2. The committee shall make a full and complete investigation of United States foreign policy in the Far East in order to ascertain our present policy and what policies heretofore have been followed by the United States in regard to Far Eastern affairs and to evaluate and determine the effect of such policies. The committee shall make a final report to the Senate and House of Representatives, not later than March 3, 1950, on the results of its investigation, together with its recommendations of the policy to be followed in the future by the United States in the Far East and of such legislation as may be necessary to implement that policy.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned

periods of the Eighty-first Congress (prior to March 3, 1950), to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the committee, which shall not exceed \$50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman.

Mr. President, shortly after I first came to the Senate 3 years ago, the Joint Committee To Investigate Pearl Harbor was appointed. That was done 4 years after the event. The Congress of the United States felt that it was important that the American people should be fully informed regarding that event. But the possibilities of getting information related to past history. This resolution is an attempt to inform the American public and the Senate. If possible, we should rectify our mistakes in foreign policy while there is yet time to do something constructive.

The United States has been vitally interested in a free and independent China since long before the open-door policy was enunciated in 1900. Perhaps second only to the Monroe Doctrine, the United States has been very vitally interested in maintaining a free, independent, and sovereign China. Even as we are meeting in the Senate the Communist forces of China are crossing the Yangtze River. They are moving into the non-Communist areas of China. It is the judgment of the junior Senator from California that if all of China goes behind the iron curtain it is possible that Burma, French Indochina, and ultimately India may go behind the iron curtain. It is further the judgment of the junior Senator from California, and I believe of a number of other Members of this body, and others throughout the country, that if all of continental Asia were to go behind the iron curtain it would be very difficult to maintain a free and independent Japan. The normal economic relationships of Japan in buying and selling are with the continent of Asia. We would then be faced with the alternative of either abandoning Japan to also go behind the iron curtain, or making Japan permanently dependent upon the United States for its economic and military support.

Mr. President, the Government of China and the people of China have been our historic friends. They were victims of aggression before we were at Pearl Harbor. I think that we in America have some responsibility for what has happened in China.

Some of us on the Pacific coast of the United States—I was not a Member of the Senate at the time, but I happened to

be a newspaperman—pointed out that this Government was permitting the shipment of scrap iron and oil to Japan, which were being used against the free government of China. It was one of the policies of the State Department to permit that to be done. I think history has recorded that that was a very unwise policy.

Mr. President, the State Department is not infallible in its dealings with foreign problems. The Congress of the United States has a terrific responsibility. I am quite willing to admit that the situation looks very dark in China, but it does not look a bit darker than the situation looked in western Europe after Dunkerque. Had the people of the United States and the Government of the United States taken a defeatist attitude, had we said, "The situation of Britain is hopeless," and had we refused to give them either moral encouragement or other types of assistance, it is quite likely that the British Government would not have been able to stand. It is quite possible that today Europe might be under Nazi domination.

I have no doubt whatever that some of the practical men who lived in other countries at the time of our own war of independence, as they looked at Valley Forge and the condition of General Washington and his troops in that very dark winter in American history, might have written off our cause as hopeless. But men of courage and determination can sometimes turn the scales even though the situation may look dark and hopeless.

I do not know just what the answer to this situation should be, but I do say that the American people and the United States Senate have an obligation to get at the facts. We should find out why it is that the country with which we were allied during the war, the country which conducted a long and vigorous campaign, the country which is one of the charter members of the United Nations, one of the big five, the country which is our historic friend, has been sold down the river. If ever a government has had the rug pulled out from under it, if ever a non-Communist government in the world has reason to feel betrayed, that government is the Republic of China. It was done again by the recent statement of the Secretary of State, in which he, on March 14, 1949, practically wrote off any possibility of saving even a part of non-Communist China.

It may be that some people are willing to follow the advice of the State Department and wait until the dust settles and the smoke clears away; but that is a heavy responsibility for us to take, for the American people to take, and for our children to take. If we wait until the smoke of battle has cleared away, if we wait until the dust has settled, we may find that 450,000,000 Chinese are behind the iron curtain, and that approximately 600,000,000 other people on the Continent of Asia are placed in a position where they cannot survive as free and independent nations. Someday in this age of the airplane and the atom, a twentieth-century Genghis Khan may come



forth to jeopardize the liberty of western Europe and the security of this Nation.

For that reason I hope that this resolution may be promptly acted upon. I shall certainly do everything possible to bring it to the floor of the Senate for early attention and full debate.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment lettered "C" offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from California [Mr. DOWNEY] is absent on official business. The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "nay."

The Senator from North Dakota [Mr. YOUNG] is unavoidably detained.

The result was announced—yeas 24, nays 55, as follows:

#### YEAS—24

Bricker	Eaton	Martin
Bridges	Ferguson	Millikin
Butler	Gurney	Mundt
Cain	Hendrickson	Reed
Capehart	Johnson, Colo.	Robertson
Chapman	McClellan	Russell
Cordon	McFarland	Schoeppel
Donnell	Malone	Williams

#### NAYS—55

Anderson	Johnson, Tex.	O'Mahoney
Baldwin	Johnston, S. C.	Pepper
Chavez	Kefauver	Saltonstall
Connally	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Ellender	Knowland	Stennis
Flanders	Langer	Taft
Frear	Lodge	Taylor
Fulbright	Long	Thomas, Okla.
George	McCarthy	Thomas, Utah
Gillette	McKellar	Thye
Hayden	McMahon	Tobey
Hickenlooper	Magnuson	Tydings
Hill	Maybank	Vandenberg
Hoey	Morse	Watkins
Holland	Murray	Wherry
Humphrey	Myers	Withers
Hunt	Neely	
Ives	O'Connor	

#### NOT VOTING—17

Aiken	Green	Miller
Brewster	Jenner	Smith, Maine
Byrd	Kem	Wagner
Downey	Lucas	Wiley
Eastland	McCarran	Young
Graham	McGrath	

So Mr. BRICKER's amendment was rejected.

Mr. CAIN. Mr. President, I call up the amendment designated "4-14-49-A," offered by me on behalf of the Senator from Ohio [Mr. BRICKER] and myself.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, beginning with line 18, it is proposed to strike out through line 9 on page 9, and to insert in lieu thereof the following:

(e) To provide funds for loans under this title, there is hereby authorized to be appropriated to the Administrator not to exceed \$25,000,000 for the fiscal year ending June 30, 1950, and additional sums not to exceed \$225,000,000 for the fiscal year ending June 30, 1951, and not to exceed \$250,000,000 for each of the fiscal years ending June 30, 1952, 1953, and 1954."

On page 9, in line 10, it is proposed to strike out "(g)" and insert "(f)."

Mr. CAIN. Mr. President, this amendment is designed to require that all funds needed for loans under title I shall be subject to the normal procedures of the Appropriations Committees. Senate bill 1070 as drawn makes no such requirement. As I have read and interpreted the language of the bill it merely states that the Administrator, with the approval of the President, may issue notes, and that the Secretary of the Treasury shall purchase notes up to certain maximum amounts in each of the next five fiscal years. I respectfully submit for the consideration of all Senators that the Congress, through its appropriate committees ought to review annually and pass upon the very substantial amounts of funds—in the case before us, \$1,000,000,000—which can be obligated as loans under title I of the bill.

The amendment seeks to accomplish under title I what the amendment offered by the Senator from Ohio [Mr. BRICKER] sought to accomplish under title II. I wonder whether the Senator from Alabama sees any virtue in this amendment relating to title I, as opposed to the opposition he voiced to the recent amendment, which concerned itself with title II?

Mr. SPARKMAN. I may say only this very brief word: The difference is that

in the bill as reported from the committee it is provided that the money shall be obtained through loans. Under the amendment suggested by the Senator from Washington there would be a provision that it shall be obtained by direct appropriations. So far as I know, every type of business which the Government takes part in today, of a nature similar to this, is handled through the method of loans, not by direct appropriations. We began a good many years ago with REA, providing for appropriations. That was carried for but a few years, when it was found much better from a fiscal standpoint to provide for loans. We have been handling it as a loan ever since. The same thing is true of the farm-tenant program. I think I am safe in saying that is the method followed in every single activity of this nature carried on by the Government. I certainly think it would be unwise to depart from it at this time, particularly since we changed from this method back over the years, and now we have I think a fairly uniform system of operating. I believe we should adhere to that system in connection with the pending measure.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington, for himself and for the Senator from Ohio [Mr. BRICKER].

The amendment was rejected.

Mr. CAIN. Mr. President, I should like now to call up the amendment which I submitted, on behalf of the Senator from Ohio [Mr. BRICKER] and myself, on April 18, 1949.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 13, after line 15, it is proposed to insert the following:

(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10 nor more than 20 days prior to the date of such hearing.

Mr. CAIN. Mr. President, this amendment is designed to apply what some of us think is a very normal, healthy, completely American custom to the procedure to be followed in arriving at a local determination of any redevelopment or slum-clearance project. Under the amendment, before any authorized public agency could enter into a contract for financial aid, it must first have held public hearings on the proposed project, Mr. President, were you and I members of such an agency I believe we would thoroughly welcome this procedure.

Public hearings on any community project are as American as they can be. I like to think that we would make more certain the public acceptance of the proposed legislation by writing into it the time-proven constructive American custom of a public hearing on a public question.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN], for himself and for



the Senator from Ohio [Mr. BRICKER]. [Putting the question.] The "noes" appear to have it.

Mr. CAIN. I ask for a division.

The PRESIDENT pro tempore. A division is requested. Those in favor of the amendment will rise.

Mr. CAIN. Mr. President, if I may, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "yea."

The result was announced—yeas 43, nays 35, as follows:

## YEAS—43

Baldwin	Holland	Russell
Bricker	Johnson, Colo.	Saltonstall
Bridges	Knowland	Schoepfel
Butler	Langer	Smith, N. J.
Cain	Lodge	Stennis
Capehart	McCarthy	Taft
Cordon	McClellan	Thye
Donnell	McFarland	Tydings
Eaton	Malone	Vandenberg
Ferguson	Martin	Watkins
George	Millikin	Wherry
Gurney	Mundt	Williams
Hendrickson	O'Connor	Young
Hickenlooper	Reed	
Hoey	Robertson	

## NAYS—35

Anderson	Ives	Murray
Chapman	Johnson, Tex.	Myers
Connally	Johnston, S. C.	Neely
Douglas	Kefauver	O'Mahoney
Ellender	Kerr	Pepper
Flanders	Kilgore	Sparkman
Frear	Long	Taylor
Fulbright	McKellar	Thomas, Okla.
Gillette	McMahon	Thomas, Utah
Hill	Magnuson	Tobey
Humphrey	Maybank	Withers
Hunt	Morse	

## NOT VOTING—18

Aiken	Graham	MCCARRAN
Brewster	Green	McGrath
Byrd	Hayden	Miller
Chavez	Jenner	Smith, Maine
Downey	Kem	Wagner
Eastland	Lucas	Wiley

So the amendment offered by Mr. CAIN for himself and Mr. BRICKER was agreed to.

Mr. BRICKER. Mr. President, many Senators are not yet convinced that this country should enter into an extensive public-housing program without further study. There are likewise many Senators who are not satisfied with title IV, which is the farm-loan section of the bill. We have debated the subject extensively; every Senator knows the issues involved. I therefore move, Mr. President, that title II and title IV be stricken from the bill. That would leave the slum-clearance section and all the provisions for loans and grants, together with the provision for research on the part of the Federal Government. As a result of such research Congress would be in a better position to approach the problem of a great housing program as well as an extensive farm program.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. If this motion should not be agreed to, would title IV be open to further amendment?

The PRESIDENT pro tempore. It would be.

The question is on agreeing to the motion of the Senator from Ohio.

Mr. MORSE and other Senators requested the yeas and nays, and they were ordered.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT] is detained on official business in meetings of committees of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate, on official business.

The Senator from Connecticut [Mr. McMAHON] is detained in the Committee on Foreign Relations.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. McMAHON], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "nay."

The result was announced—yeas 19, nays 58, as follows:

## YEAS—19

Bricker	Hickenlooper	O'Connor
Butler	Hoey	Reed
Cain	Johnson, Colo.	Robertson
Capehart	Knowland	Tydings
Cordon	McFarland	Williams
Eaton	Martin	
Hendrickson	Millikin	

## NAYS—58

Anderson	Johnson, Tex.	Pepper
Baldwin	Johnston, S. C.	Russell
Bridges	Kefauver	Saltonstall
Chapman	Kerr	Schoepfel
Chavez	Kilgore	Smith, N. J.
Connally	Langer	Sparkman
Donnell	Lodge	Stennis
Douglas	Long	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thomas, Okla.
Flanders	McKellar	Thomas, Utah
Frear	Magnuson	Thye
George	Malone	Tobey
Gillette	Maybank	Vandenberg
Gurney	Morse	Watkins
Hill	Mundt	Wherry
Holland	Murray	Withers
Humphrey	Myers	Young
Hunt	Neely	
Ives	O'Mahoney	

## NOT VOTING—19

Aiken	Green	McMahon
Brewster	Hayden	Miller
Byrd	Jenner	Smith, Maine
Downey	Kem	Wagner
Eastland	Lucas	Wiley
Fulbright	MCCARRAN	
Graham	McGrath	

So Mr. BRICKER's motion was rejected. Mr. BRIDGES. Mr. President, I ask unanimous consent that just before the votes on the two amendments offered by the junior Senator from Ohio [Mr. BRICKER], one on nonsegregation and the other on nondiscrimination, the texts of the two amendments be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CAIN. Mr. President, I should like to call up amendment B.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 31 it is proposed to strike out on line 6 and 7 the words "economy will be promoted both in construction and administration" and insert in lieu thereof the words "as will not exceed in cost (excluding land, demolition, and nondwelling facilities) the costs (as estimated by the Federal Housing Administration) of new privately built dwelling accommodations (excluding land, demolition, and nondwelling facilities) then currently being insured in the area by the Federal Housing Administration."

Mr. CAIN. Mr. President, the purpose of this amendment is to provide a reasonable measure, a more accurate yardstick, by which the costs of the projects



to be aided under the bill may be controlled by the Public Housing Authority or Administrator.

The ceiling limits of costs found in the bill—and apparently a good many Senators are not aware of this fact—far exceed the costs at which private builders are presently producing desirable dwelling accommodations in almost every area of the continental United States.

The language of the bill has prescribed in dollars, the maximum costs per room, namely, \$2,500, then admonishes the Authority, and only in general terms, to exercise economy before entering into contracts of assistance with the local agency.

Let me read, Mr. President, the exact language as found on page 31, lines 2 to 15:

The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract.

The words to be replaced by my amendment are in lines 6 and 7, namely, "and economy will be promoted both in construction and administration."

I know of no better barometer for "economy in construction" in every section and area of our country than the Federal Housing Administration. Its activities in the field of mortgage-loan insurance have made it imperatively necessary that the Federal Housing Administration know the prevailing construction costs of every kind and type of housing facilities built, be they for single families, four families, or multi-floor, multiple-unit apartment houses. It is that experience, that intimate knowledge of costs that the amendment brings to bear on this very important item of economy in the capital outlay for the facilities to be built and the corresponding aid to be granted under the terms of this act.

I should like to make perfectly clear that the amendment which is pending does not hold the construction of a project to the unit cost as determined by the maximum amount of a mortgage which FHA would insure in its normal insuring practice. FHA is held to certain statutory limits for its mortgage insurance. These limits are not brought to bear under this amendment.

Mr. President, the junior Senator from Ohio [Mr. BRICKER] and I are attempting, through this amendment, only to make every use of the favorable knowledge and experience of economical construction costs within many given areas of the country, as found today by FHA.

I believe that if the amendment is adopted and becomes part of the law it will result in materially decreasing the

cost which otherwise will be imposed upon the Government by the passage of the legislation.

The PRESIDENT pro tempore. The question is on the amendment lettered "B" offered by the Senator from Washington [Mr. CAIN] for himself and the Senator from Ohio [Mr. BRICKER].

The amendment was as follows:

Page 31, lines 6 and 7, strike out the words "economy will be promoted both in construction and administration" and insert in lieu thereof the following: "as will not exceed in cost (excluding land, demolition, and nondwelling facilities) the costs (as estimated by the Federal Housing Administration) of new privately built dwelling accommodations (excluding land, demolition, and nondwelling facilities) then currently being insured in the area by the Federal Housing Administration."

Mr. CAIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Utah [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from New Jersey [Mr. SMITH] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "nay."

The result was announced—yeas 28, nays 46, as follows:

#### YEAS—28

Bricker  
Bridges  
Butler  
Cain

Capehart  
Cordon  
Eaton  
Gurney

Hendrickson  
Hickenlooper  
Hoey  
Johnson, Colo.

McClellan  
McFarland  
Malone  
Martin  
Mullikin  
Mundt

O'Connor  
Reed  
Robertson  
Russell  
Schoeppel  
Tydings

Watkins  
Wherry  
Williams  
Young

#### NAYS—48

Anderson  
Baldwin  
Chapman  
Donnell  
Douglas  
Ellender  
Ferguson  
Flanders  
Frear  
George  
Gillette  
Hayden  
Hill  
Holland  
Humphrey  
Hunt

Ives  
Johnson, Tex.  
Johnston, S. C.  
Kefauver  
Kerr  
Kilgore  
Knowland  
Langer  
Lodge  
Long  
McCarthy  
McKellar  
McMahon  
Magnuson  
Maybank  
Morse

Murray  
Myers  
Neely  
O'Mahoney  
Pepper  
Saltonstall  
Sparkman  
Stennis  
Taft  
Taylor  
Thomas, Okla.  
Thye  
Tobey  
Withers

#### NOT VOTING—22

Aiken  
Brewster  
Byrd  
Chavez  
Connally  
Downey  
Eastland  
Fulbright

Graham  
Green  
Jenner  
Kem  
Lucas  
McCarran  
McGrath  
Miller

Smith, Maine  
Smith, N. J.  
Thomas, Utah  
Vandenberg  
Wagner  
Wiley

So the amendment offered by Mr. CAIN, for himself and Mr. BRICKER, was rejected.

Mr. MCCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 50, after line 25, it is proposed to insert the following new section:

SEC. 304. The Administrator shall appoint a director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

Mr. SPARKMAN. Mr. President, will the Senator from Wisconsin yield?

Mr. MCCARTHY. I yield.

Mr. SPARKMAN. We have no objection to the amendment. We are glad to accept it.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. KNOWLAND. Mr. President, a number of Senators have requested some information relative to a housing proposal which was on the ballot in California last November. It was an initiative constitutional amendment which would create a State housing agency, authorize the State to guarantee obligations of, and furnish operating subsidies to, public housing authorities, expenditures for such purposes not to exceed \$25,000,000 annually. It would authorize State bonds up to \$100,000,000 to finance State loans to public housing authorities and private nonprofit housing associations; bond principal and interest to be paid from State tax revenues. It prescribed State and local government powers, eminent domain, and other powers of housing authorities. It regulated taxation of housing authority property, and exempted local housing authority bonds from taxation.

While it is not exactly comparable to the legislation before us, it was a mat-



ter, on a State level, which was submitted to the people of California. I ask that the table of the vote, taken from the official vote furnished by the secretary of state for the general election on November 2, 1948, be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Counties	Housing: Initiative constitutional amendment. Adds art. XXVII to Constitution. Creates State housing agency. Authorizes State to guarantee obligations of, and furnish operating subsidies to, public housing authorities, expenditures for such purposes not to exceed \$25,000,000 annually. Authorizes State bonds up to \$100,000,000 to finance State loans to public housing authorities and private non-profit housing associations; bond principal and interest to be paid from State tax revenues. Prescribes State and local government powers, eminent domain, and other powers of housing authorities. Regulates taxation of housing authority property. Exempts local housing authority bonds from taxation.	
	Yes	No
Alameda	96,068	176,265
Alpine	20	76
Amador	608	2,303
Butte	3,987	14,304
Calaveras	550	2,523
Colusa	502	2,357
Contra Costa	29,002	48,906
Del Norte	396	1,813
El Dorado	1,134	4,072
Fresno	18,783	47,306
Glenn	621	3,759
Humboldt	6,386	12,040
Imperial	1,952	6,997
Inyo	653	2,333
Kern	13,891	33,814
Kings	1,889	7,159
Lake	797	3,465
Lassen	1,240	3,097
Los Angeles	474,561	1,021,221
Madera	1,483	4,853
Marin	7,693	21,160
Mariposa	422	1,301
Mendocino	2,500	6,872
Merced	3,036	10,188
Modoc	468	1,867
Mono	100	487
Monterey	7,710	20,826
Napa	2,839	10,765
Nevada	1,342	5,233
Orange	10,095	61,069
Placer	2,577	9,856
Plumas	1,276	2,608
Riverside	10,306	38,657
Sacramento	17,950	62,780
San Benito	740	2,982
San Bernardino	20,189	62,873
San Diego	55,048	127,697
San Francisco	121,172	165,901
San Joaquin	10,194	38,644
San Luis Obispo	5,019	10,881
San Mateo	21,258	53,750
Santa Barbara	9,077	21,973
Santa Clara	20,946	63,780
Santa Cruz	4,721	17,108
Shasta	2,356	7,767
Sierra	280	640
Siskiyou	2,619	6,978
Solano	12,297	17,771
Sonoma	7,210	24,976
Stanislaus	5,488	25,640
Sutter	969	4,962
Tehama	860	4,289
Trinity	377	1,201
Tulare	6,317	23,927
Tuolumne	827	3,226
Ventura	7,902	20,637
Yolo	2,195	8,225
Yuba	1,191	4,286
Total	1,042,089	2,372,646

Mr. KNOWLAND. I invite the attention of Senators to the fact that on this

issue the "yes" vote was 1,042,089; the "no" vote was 2,372,646. There are 58 counties in California. The issue lost in all 58 counties, including the four metropolitan counties of the State.

For the information of the Senate, I also ask to have printed in the RECORD a copy of the constitutional amendment.

There being no objection, the copy of the constitutional amendment was ordered to be printed in the RECORD, as follows:

#### ARTICLE XXVII—HOUSING AMENDMENT OF 1948

##### TITLE I—GENERAL PROVISIONS

###### SECTION 1. Preamble:

The people of the State of California hereby express their common interest in housing. Sound homes foster sound citizenship. Good housing will preserve and enhance human values—our greatest asset.

We take cognizance that large numbers of families and persons lack the means to obtain shelter of even minimum decency and safety. Many young persons, including veterans of the recent war, cannot obtain adequate housing in which to establish desirable family life. They are forced to occupy congested, unhealthy, and unsafe quarters in slums and blighted areas in cities and rural areas. The children who grow in such conditions suffer an impairment of opportunity to contribute fully to the production and progress of the State and the Nation.

Inadequate housing and blighted neighborhoods represent impaired human, economic, and civic values which affect the welfare of all. To the extent that private endeavor is unable to provide healthy and decent environment, it is a matter of public interest and concern.

Advancement of the moral, physical, and economic health and welfare of the people is a proper and necessary function of their government. The undertaking of such measures as may be effective to further these ends through better housing is hereby declared a public purpose and the policy of this State.

To assist public bodies and nonprofit housing associations to provide decent housing for persons who lack the means to obtain adequate housing through private endeavor is the objective of this article.

###### Sec. 2. Short title:

This article may be referred to as the "housing amendment of 1948."

###### Sec. 3. Definitions:

A. "Agency" shall mean the agency established by title II, section I, of this article.

B. "Bond" shall mean any bond, note, interim certificate, debenture, or any other obligation of a housing authority.

C. "Development" shall mean any or all of the planning, designing, acquisition, improvement, construction, financing, or re-financing of housing developments or housing properties.

D. "Eligible person" shall mean an individual who lacks sufficient income to secure decent, safe, and sanitary housing for himself or his family at rentals or prices currently available in substantial supply through private endeavor.

E. "Going rate of interest" shall approximate the current annual yield rate upon outstanding general obligation bonds of the State having a maturity of 10 years or longer, as determined by the agency at the time of making a particular loan.

F. "Governing body" shall mean any legislative body, council, board, or commission having power of legislation or control over the affairs of a public body pursuant to its charter or the laws of the State.

G. "Guaranty" or "guarantee" shall mean the obligation of the State to pay the principal of and interest on bonds of a housing

authority as provided in title III of this article.

H. "Housing authority" or "authority" shall mean any public body created pursuant to the housing authorities law of 1938, as amended, or its successor or any other public body authorized by law to undertake the development or operation of housing developments.

I. "Housing bonds" shall mean the State bonds authorized by title V of this article.

J. "Housing development" shall mean a specific undertaking, work, or improvement by a housing authority to provide decent, safe, and sanitary dwellings for eligible persons and may include such appurtenances and facilities as will promote a desirable environment. The term may also include the acquisition of land for future development.

K. "Housing fund" shall include housing loan fund, housing assistance fund, and housing administration fund established by title IV of this article.

L. "Housing property" shall mean a specific undertaking, work, or improvement by a non-profit housing association to provide decent, safe, and sanitary dwellings for its members.

M. "Non-profit housing association" shall mean any corporation organized under the laws of the State and empowered to develop and operate housing for its members in accordance with the provisions of this article, provided its articles of incorporation and by-laws prohibit operation for profit.

N. "Operation" shall include all actions and costs related to management, operation, maintenance, repair, replacement, insurance, reserves, taxes, and payments in lieu thereof, service charges, assessments, amortization, interest, financing and refunding, and other related actions and costs.

O. "Public body" or "political subdivision" shall mean any city, city and county, county, municipal corporation, commission, district, authority, or other subdivision or public body of the State.

P. "State" shall mean the State of California and any agency or instrumentality thereof.

Q. "Subvention" shall mean the periodic payment authorized to be made to a housing authority in aid of a housing development as provided in title III, section 2, of this article.

R. "Veteran of World War II" shall include the unmarried widow of a deceased veteran.

##### TITLE II—STATE HOUSING AGENCY

SECTION 1. Establishment, membership, and organization:

A. There is hereby established an executive agency of the State to be known as the State Housing Agency. Except as otherwise provided herein, all powers of the agency shall be vested in five commissioners, who shall be appointed by the Governor. Three of the commissioners who are first appointed shall be designated to serve for terms of 1, 2, and 3 years, respectively, from the date of their appointment, and two shall be designated to serve for terms of 4 years from the date of their appointment. Thereafter commissioners shall be appointed as aforesaid for terms of 4 years, except that all vacancies shall be filled for the unexpired terms. A commissioner shall hold office until his successor has been appointed and qualified. A commissioner shall receive no compensation for his services, but he shall be entitled to reasonable expenses, including travel expenses incurred in the discharge of his duties. The agency annually shall select its own chairman from among the commissioners. Three commissioners shall constitute a quorum for the purpose of conducting its business, exercising its powers, and for all other purposes. Action may be taken by the agency only upon a vote of a majority of all commissioners unless in any case the rules or regulations of the agency shall require a larger number. The commissioners may del-



enate powers to such officers and employees as they may designate by resolution.

B. The agency shall appoint a State director of housing, without regard to civil service laws, to be its chief executive officer and shall fix his compensation. The director may appoint three deputies and the general counsel and his professional staff without regard to civil service laws after the agency shall have determined the required qualifications and fixed the duties and compensation of office. The agency or its director may call upon the attorney general for any opinions or legal assistance. The director may appoint additional employees, subject to civil service laws, and determine the qualifications and duties of each position, all in accordance with an organization plan approved by the agency.

C. No commissioner or employee of the agency shall acquire any interest, direct or indirect, in any housing development or housing property or in any property or contract related thereto. Where any such interest was acquired prior to his employment or appointment he shall disclose the same in writing, which disclosure shall be entered in a special record of the agency kept for such purpose. Any such contract or claim for compensation for work done or supplies or materials furnished, in which any commissioner or employee acquired an interest during his term of office or employment, shall be void.

D. For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governor, but a commissioner shall be removed only after he shall have been given a copy of the charges at least 10 days prior to the hearing thereon and have had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed with the Secretary of State.

#### SEC. 2. Powers and functions:

A. The agency may exercise its powers at any place, and rent or use office space and establish its offices at such locations in the State as it may deem necessary or convenient. The agency shall be entitled to office space in State office buildings and other services and facilities on the same basis as other executive departments of the State.

B. The agency may employ such personnel as it may deem necessary or convenient to carry out the purposes of this article.

C. The agency may sue in the name of the State whenever it is deemed necessary or advisable to enforce any of its rights conferred by this article or by any law, mortgage, lien, bond, contract, or agreement and may be sued in the same manner as a private person in any matter arising as a direct result of, and in relation to, the exercise by the agency of any of its powers and functions authorized by this article. The agency shall be represented in all litigated matters by the Attorney General in association with its general counsel and staff.

D. The agency may execute in the name of the State such contracts and documents as it deems necessary or convenient to the exercise of the powers and functions authorized by this article.

E. The agency may acquire in the name of the State by gift, grant, bequest, devise, foreclosure, or otherwise, any real or personal property or any interest therein and assign, invest, sell, lease, exchange, transfer, mortgage, pledge, or otherwise dispose of such property.

F. The agency may make loans, subventions and guaranties in aid of housing developments and may make loans to nonprofit housing associations in aid of housing properties of such organizations.

G. The agency may include in any contract for loan, subvention or guaranty, a provision requiring conveyance or transfer of possession of the housing development to the agency in the event of breach of any

covenant or condition thereof, and in such event, the agency may complete the development and undertake the operation of such housing development, continuing to make subventions and guaranty payments in aid thereof during the continuance of the breach. At such time as the agency is satisfied that breach has been cured, the agency shall re-convey or retransfer possession of the housing development to the housing authority and resume contract benefits.

H. The agency may furnish assistance to public bodies and officials in determining the characteristics of the housing problems within their jurisdiction, in analyzing such problems, and in effecting solutions thereof.

I. The agency may make surveys and studies, publish reports and disseminate information on local and general housing conditions and needs in the State.

J. The agency may cooperate with and accept assistance from any persons, organizations, or agencies of government or other sources of aid, financial or otherwise, to achieve the purposes of this article.

K. The agency shall make a comprehensive annual report to the governor on its activities and operations and shall include therein such recommendations for executive and legislative action as it may deem advisable.

L. The agency may in its discretion include in any contract to assist a housing development or housing property provision for the repayment of all loans outstanding and the sale of the housing development or housing property if at any time it is determined by the owner thereof and the agency that there is no longer any need in the locality for the operation of such housing development or housing property.

M. The agency shall have power to create and appoint councils or committees to meet with the agency in an advisory capacity to discuss the objectives and execution of the program provided for by this article and to make recommendations in connection therewith, and may pay reasonable expenses of persons so serving.

N. The agency may contract, without regard to civil service laws, for the services of technicians, experts, professionals, etc., on a per diem basis or otherwise to secure reports, information, advice, or assistance necessary or convenient to carry out the purposes of this article, including the development or operation of a housing development pursuant to paragraph G of this section.

O. The agency may issue, and from time to time amend, such rules and regulations as it deems necessary or convenient to carry into effect the powers and purposes of this article.

P. The agency may study the problems and effects of monopolies, extortionate, illegal, or unfair practices, or practices affecting the cost of construction or production of buildings and cooperate with Federal and State investigating officials to end such abuses.

Q. The agency may modify, consolidate, supersede, or supplement contracts which it has executed pursuant to the provisions of this article, with or without consideration: To permit consolidation or separation of housing developments or portions thereof; to permit adjustment of interest charges contained in such contracts when determined advisable by the agency to assist in financing housing developments; and to permit adjustment of the fixed amounts of subventions.

R. The agency may generally exercise any and all additional powers which it deems necessary or convenient to the execution of the powers and functions authorized by this article.

#### TITLE III—FINANCIAL ASSISTANCE

##### SECTION 1. Loans in aid of housing developments:

The agency may make loans to, including purchase of bonds issued by, housing au-

thorities to assist in the development or operation of housing developments. Loans shall bear interest at the going rate of interest plus one-half of 1 percent, shall be secured in such manner and shall be repaid within such period not exceeding 50 years, as the agency may determine. The total of any outstanding loans to assist a housing development shall not exceed the estimated cost of such housing development as determined by the agency from time to time.

##### SEC. 2. Subventions to housing authorities:

The agency may make periodic subventions to housing authorities to aid the operation of housing developments at rentals within the financial reach of eligible persons. Subventions shall be paid from the housing assistance fund and the aggregate amount of payments contracted by the agency shall not exceed the amount authorized therefor. The subvention paid in aid of a housing development during any year shall not exceed an amount equal to the difference between the costs of operation and the income received from rentals and other charges approved by the agency in accordance with the provisions of this article. The agency shall be empowered to create a debt or liability of the State by embodying the provisions for subventions in a contract guaranteeing their payment over a fixed period not exceeding 50 years. Payments under any such contract may be pledged as security for any loan or credit obtained by a housing authority to assist the housing development to which such payments relate.

##### SEC. 3. Agreements of guaranty with housing authorities:

The agency is empowered to create a debt or liability of the State by making contracts with housing authorities guaranteeing the payments of interest and principal, as they become due, upon bonds to be issued by them for the purpose of financing the development of housing developments at rentals within the financial reach of eligible persons:

##### A. Provisions:

Such contracts shall provide: (1) That any bonds guaranteed shall be sold at not less than par and the total principal amount thereof shall not exceed the estimated cost of development as determined by the agency; (2) that the agency shall approve as to form, substance, amount, security, purpose, maturity, and manner of issuance all bonds subject to guaranty and shall evidence such approval and guaranty by appropriate endorsement upon each bond, provided that such endorsement upon the interest coupons attached to such bonds may be made by the facsimile signature of the officer designated by resolution of the agency to endorse the bonds; (3) that the agency will make payments of interest or principal upon guaranteed bonds after default by the issuer.

##### B. Payments:

Guaranty payments of interest and principal shall be made from the housing assistance fund and the payment made in any year, together with any subventions made pursuant to section 2 hereof, shall not exceed, in the aggregate, the amount authorized for such fund.

##### C. Negotiability and legal investment:

Bonds and interest coupons guaranteed pursuant to this section shall be negotiable instruments; they shall be legal investments for all purposes.

##### SEC. 4. Conditions of aid to housing authorities:

##### A. Determinations:

Before making any contract for loan, subvention, or guaranty with a housing authority, the agency shall determine that—

1. There is a need in the locality for decent housing at rentals below those currently available in substantial supply through private endeavor and that the assistance requested will aid in meeting such need;

2. The estimated revenues of operation, including subventions, contributions, or assist-



ance from any source, will be sufficient to meet the estimated costs of operation;

3. The governing body of the city, city and county, or county in which the proposed housing development is to be located has adopted a resolution approving the filing of an application with the agency;

**B. Contract provisions:**

Any contract for loan, subvention, or guaranty with a Housing Authority shall contain appropriate provision to require that:

1. Decent accommodations are or will be made available at reasonable cost to eligible persons who will be displaced by development of the dwellings to be provided;

2. Wages or fees not less than those prevailing in the locality will be paid to all workers employed in development and operation; and, that there will be no discrimination in employment on account of race, creed, color, national origin, or ancestry;

3. The average net construction cost of the dwelling units (excluding land, site improvement, nondwelling facilities, and overhead) will not be greater than the average net construction cost of dwelling units currently produced in the locality or metropolitan area under the legal building requirements applicable to the site and under labor standards not lower than these prescribed in this article;

4. Construction shall be contracts awarded after competitive bidding;

5. Development will not conflict with provisions of any official master plan duly adopted for the area;

6. Rentals shall be fixed within the financial reach of eligible persons; provided that the housing development shall not be operated for profit but the rental revenues (together with all other available monies, revenues, income, and receipts from whatever sources derived) shall in any event be sufficient to pay costs of operation;

7. Dwellings shall be let to eligible persons on the basis of need, without discrimination or segregation as to race, color, creed, national origin, or ancestry;

8. In selecting eligible persons for occupancy, preference shall be given, as between cases of like need, to veterans of World War II and families displaced by freeway construction, community redevelopment activities, or other public improvements, including families displaced by the housing development; provided that the veterans preference shall not continue beyond 5 years after the effective date of this article, and the preference to displaced families shall be limited to initial occupancy in the Housing Development. The Housing Authority may determine the order in which the foregoing preferences shall be applied in relation to local conditions;

9. Dwellings shall be let only to eligible persons who have resided in the State for a period of not less than 1 year; provided, that the agency, may, upon application of the Housing Authority, waive such requirement during periods of emergency or when in the public interest;

10. In development and operation, consideration shall be given to needs and family characteristics of all eligible persons, including single persons and large families.

11. The housing development and all its accounts and records shall be open to inspection or audit by representatives of the Agency at all reasonable times.

12. Operation of the housing development will be in accordance with schedules of income, rents, and expenses approved by the Agency.

13. The Housing Authority will submit such reports as the Agency may require.

14. The Housing Authority will not, without consent of the Agency, commit any act, or give consent, to transfer possession of or convey title to the housing development.

**C. Other provisions:**

The Agency may include in its contracts other provisions to effectuate the purposes of this article or to facilitate the sale of bonds.

**Sec. 5. Allocation of benefits:**

During the first year after appointment of the first commissioners of the Agency, contracts creating obligations against the housing assistance fund shall not exceed for housing developments with a particular county the proportion which the amount so obligated bears to the housing assistance fund as to the population of such county bears to the population of the State, as determined by the Agency. After 10 years from the effective date of this article, unless such period shall be extended by law, no new contract for loan, subvention, or guaranty shall be made by the Agency in aid of any additional housing development or housing property.

**Sec. 6. Loans to nonprofit housing associations:**

**A. Purpose:**

The purpose of this section is to provide a source of useful credit for those veterans of World War II and other persons, and their families, of moderate income who, in the determination of the Agency, lack sufficient income or available credit to buy or rent standard quality housing currently being produced in substantial supply by private endeavor, but who can obtain adequate housing through mutual organization with the assistance of a loan by the Agency as hereinafter provided.

**B. Loans authorized:**

The Agency may make loans to nonprofit housing associations for development of housing properties: *Provided*, That the total loans outstanding upon a housing property shall not exceed the cost of the development and in no event shall loans by the Agency on any housing property exceed 95 percent of such cost as determined by the Agency. Loans shall bear interest at the going rate of interest plus one-half of 1 percent, shall be secured in such manner and shall be repaid within such period not extending 50 years, as the Agency may determine.

**Sec. 7. Conditions of aid to nonprofit housing associations:**

**A. Agency determinations:**

Before making any loan to a nonprofit housing association, the agency shall determine that: (1) the housing property is proposed for the purpose of providing adequate housing for veterans of World War II and other persons, and their families, of moderate income who lack sufficient income or available credit to buy or rent standard-quality housing currently being produced in substantial supply by private endeavor; (2) making the loan will effect the purposes of section 6 hereof; and (3) the estimated rents, revenues, receipts, or income of the non-profit-housing association, from whatever source derived, will be sufficient to pay the estimated costs of development and operation.

**B. Contract provisions:**

The amount and terms of any loan with a nonprofit housing association shall be set forth in a contract with the agency which shall contain appropriate provision to require that:

(1) Development and operation of the housing property shall be for the exclusive use and benefit of members in the nonprofit housing association and not for profit; provided, that the agency may agree to such qualifications in the foregoing as, in its determination, will be necessary to protect its security for or interest in the loan;

(2) Wages or fees not less than those prevailing in the locality will be paid to all workers employed in development; and that there will be no discrimination in employment on account of race, creed, color, national origin, or ancestry;

(3) The average net construction cost of the dwelling units (excluding land, site im-

provement, nondwelling facilities, and overhead) will not be greater than the average net construction cost of dwelling units currently produced in the locality or metropolitan area under the legal building requirements applicable to the site and under labor standards not lower than those prescribed in this article;

(4) Construction will be by contracts awarded after competitive bidding;

(5) Development will not conflict with provisions of any official master plan duly adopted for the area;

(6) Sales prices or rentals in the housing property shall be subject to approval by the agency;

(7) Occupancy, use, or enjoyment of the housing property shall not be restricted or segregated on account of race, creed, color, national origin, or ancestry;

(8) The housing property and all its accounts and records shall be open to inspection or audit by representatives of the agency at all reasonable times;

(9) The nonprofit housing association will submit such reports as the agency may require; and

(10) Any conveyance or transfer of possession of the housing property shall be subject to approval by the agency.

**TITLE IV—STATE HOUSING FUND**

**SECTION 1. Fund established:**

There is hereby established in the State treasury a fund, to be designated, State housing fund. The State housing fund shall be maintained and used solely for the purposes of, and pursuant to the provisions of, this article.

**Sec. 2. Fund composition:**

The State housing fund shall include the following component funds, together with any additional funds which may be provided by law.

**A. Housing loan fund:**

A fund to be designated housing loan fund, is hereby established for the purpose of making loans by the agency authorized by title III of this article.

**(1) Deposits:**

There shall be deposited in the housing loan fund: (a) all proceeds from the sale of the housing bonds; (b) all payments of principal and interest by borrowers from this fund; (c) all net proceeds received by the agency in realizing upon any property pledged as security for a loan made from the housing loan fund; and (d) any moneys provided by law for such purpose. There shall also be deposited in the housing loan fund, and be available for expenditure by the agency therefrom, any gift, grant, bequest, devise, or the income therefrom, when so provided, for the purposes of such fund.

**(2) Payments:**

Payment from the housing loan fund shall be made to borrowers, or their agents or designees, at such times, upon such showings and in such manner as the contracts or regulations of the agency shall provide. The State controller shall issue warrants for payments from the housing loan fund upon certification by the officer of the agency designated by its resolution. The State treasurer shall make payments from the housing loan fund in accordance with the warrants issued by the State controller.

**(3) Surplus:**

Unless otherwise provided by law, any monies in the housing loan fund in excess of \$100,000,000 shall be transferred by the State treasurer to the State general fund; provided that in computing such amount there shall be excluded: (1) any property held by it as security for loans made by the agency; and (2) any moneys deposited by virtue of any gift, grant, bequest, devise, or income therefrom.

**B. Housing assistance fund:**

A fund, to be designated housing assistance fund, is hereby established for the pur-



pose of making subventions and guaranty payments by the agency pursuant to contracts authorized by title III of this article.

(1) Deposits:

There is hereby appropriated from any moneys in the general fund or surplus in the State treasury the sum of \$25,000,000, plus any additional amount provided by law, for the purpose of making any payments authorized by sections 2 and 3 of title III of this article. The funds so appropriated shall be transferred by the State treasurer to the housing assistance fund upon presentation of a resolution by the agency directing such action and shall remain available until expended. There is also hereby appropriated annually from any moneys in the general fund or surplus in the State treasury a supplementary amount which, together with the balance in the housing assistance fund as of the beginning of the fiscal year, will equal the amount appropriated in the first sentence of this section, plus any additional amount provided by law. The funds so appropriated shall be transferred by the State treasurer to the housing assistance fund upon presentation of resolutions by the agency specifying the amount, and directing such action. All funds appropriated shall remain available until expended. There shall also be deposited in the housing assistance fund, and be available for expenditure by the agency therefrom, any gift, grant, bequest, devise, or the income therefrom, when so provided, for the purposes of such fund.

(2) Payments:

Payments from the housing assistance fund shall be made, pursuant to the contracts of the agency authorized by title III of this article, in such manner, upon such showings and at such times and places as the contracts or regulations of the agency shall provide. The State controller shall issue warrants for payments from the housing assistance fund upon a certification by the officer of the agency designated by its resolution. The State treasurer shall make payments from the housing assistance fund in accordance with the warrants issued by the State controller.

C. Housing administration fund:

A fund, to be designated housing administration fund, is hereby established for the purpose of paying the costs of administering the agency.

(1) Deposits:

There is hereby appropriated out of any moneys in the general fund or surplus in the State treasury a sum to be available during each fiscal year equal to 3 percent of the maximum authorized amount of the housing assistance fund or such higher amount as may be provided by law. The moneys so appropriated shall be transferred by the State treasurer to the administration fund upon certification by the agency that all, or any part, of said appropriation is needed during the fiscal year. There shall also be deposited in the housing administration fund any moneys appropriated by law, and any gift, grant, bequest, devise, or the income therefrom, when so provided for the purposes of such fund.

(2) Payments:

The State controller shall issue warrants for payment from the housing administration fund upon presentation of statements certified by the officer of the agency designated by its resolution. The State treasurer shall make payments from the housing administration fund in accordance with the warrants issued by the State controller.

Sec. 3. Investment of surplus funds:

The agency may authorize or direct the investment or deposit of moneys in any of the funds subject to its control, or appropriated for its use, in the manner and to the extent authorized by law for investment or deposit of other State funds.

Sec. 4. Liquidation of fund:

Unless otherwise provided by law, when all obligations of the agency, pursuant to con-

tracts authorized by this article or by any law, have been discharged in full, the appropriations made in section 2 hereof shall terminate, and any moneys remaining in the State housing fund shall be transferred into the general fund of the State: *Provided*, That any moneys or property in such fund which is the res or income of any gift, grant, bequest, or devise shall not be so transferred in violation of its terms.

TITLE V—HOUSING BOND ISSUE

SECTION 1. Creation of State debt authorized:

For the purpose of providing funds for the housing loan fund created by this article, the agency shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State, in the manner and to the extent hereinafter provided.

Sec. 2. Preparation of housing bonds:

A. Amount and rate of interest:

For the purpose of this article, immediately after the adoption of any resolution by the agency provided for in section 8 of this title, the State treasurer shall prepare the requisite number of suitable bonds of denomination of not less than \$50, in accordance with the specifications contained in such resolution. The aggregate par value of all housing bonds issued under this title shall not exceed the sum of \$100,000,000: *Provided*, That the aggregate par value of all housing bonds issued during the first year after the adoption of this article shall not exceed \$25,000,000; and the aggregate par value of all housing bonds issued during the first and second years after the adoption of this article shall not exceed \$60,000,000; and thereafter the par value of all housing bonds issued shall not exceed \$100,000,000. The housing bonds issued under any such resolution shall bear interest from the date of issuance of said housing bonds to the date of maturity thereof, at a rate to be determined by the agency, in consultation with the State treasurer, and specified in such resolution, but in no case exceeding 5 percent per annum; such resolution may provide for redemption with or without the payment of a premium. Both principal and interest shall be payable in lawful money of the United States at the office of the State treasurer, or at the office of any duly authorized agent of the State treasurer, and shall be so payable at the times specified in said resolution or resolutions.

B. Signature:

All housing bonds issued under this article shall bear the facsimile signature of the Governor and the facsimile signature of the State controller and shall be endorsed by the State treasurer either by original signature or by a signature stamp adopted for each particular housing bond issued under this article. Said housing bonds shall be signed, countersigned, and endorsed by the officers who shall be in office on the date of issuance thereof, and each shall bear an impress of the great seal of the State. Housing bonds so signed, countersigned, endorsed, and sealed, when sold, shall be and constitute a valid and binding obligation upon the State, although the sale thereof be made at a date or dates upon which the officers having signed, countersigned, and endorsed said housing bonds, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the time of signing, countersigning, or endorsing said housing bonds.

C. Interest after maturity:

Each housing bond issued under this article shall contain a clause or clauses stating that interest shall cease to accrue thereon from and after the date of maturity thereof and referring to this article and to the resolution of the agency hereunder by virtue of which said housing bond is issued.

D. Interest coupons:

The requisite number of suitable interest coupons, appropriately numbered, shall be attached to each housing bond issued under

this article. Said interest coupons shall bear the facsimile signature of the State treasurer who shall be in office on the date of issuance of the housing bonds to which said coupons pertain.

Sec. 3. Retirement of housing bonds.

All housing bonds issued under this article and sold shall be deemed to have been called in at their respective dates of maturity and the State treasurer, at the specified date of redemption thereof, or on the respective dates of maturity thereof, or as soon thereafter as said matured housing bonds are surrendered to him, shall pay the same out of the proceeds of the State controller's warrants issued in favor of the State treasurer as provided in section 4, of this title, and shall perforate the housing bonds so paid with a suitable device in a manner to indicate such payment and the date thereof. He shall also, on the said respective dates of maturity, cancel all housing bonds bearing said dates of maturity and remaining unsold, by perforation with a suitable device in a manner to indicate such cancellation and the date thereof. The provisions of this section shall be applicable also to the interest coupons pertaining to the housing bonds authorized by this article to be issued, and shall be applicable, as far as practicable, to any authorized agent of the State treasurer.

Sec. 4. State appropriation:

A. Amount:

There is hereby appropriated from the general fund in the State treasury such sum annually as will be necessary to pay the principal of and the interest on the housing bonds issued and sold pursuant to the provisions of this article, as said principal and interest becomes due and payable.

B. Tax levy:

There shall be levied and collected annually and at the time other State revenue is collected, such sum, in addition to the ordinary revenues of the State, as shall be required to pay the principal of and interest on housing bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collections of said revenue, to do and perform each and every act which shall be necessary to collect such additional sums.

C. Method of payment:

Both principal of and interest on housing bonds when due shall be paid by the State treasurer from the proceeds of warrants issued against said appropriation from the general fund by the State controller in favor of the State treasurer, or in favor of any authorized agent of the State treasurer, upon demands which shall be subject to audit in any manner provided by law.

Sec. 5. Appropriation for expense:

The sum of \$50,000 is hereby appropriated out of any moneys in the general fund in the State treasury to pay the expenses that may be incurred by the State treasurer in having housing bonds prepared and in advertising their sale. Said amount shall be refunded to the general fund in the State treasury, pursuant to warrants issued by the State controller for that purpose, out of the specific funds into which the proceeds from the sale of housing bonds shall be covered in accordance with the provisions of this article.

Sec. 6. Sale of housing bonds:

When the housing bonds have been executed they shall be sold by the State treasurer at public auction to the highest bidder for cash, in such parcels and numbers as the said treasurer shall be directed by the governor of the State, under seal thereof, after a resolution requesting such sale shall have been adopted by the agency, but said treasurer must reject any and all bids for housing bonds, or for any of them, which shall be below the par value thereof plus the interest which has accrued thereon between the date of sale and the last preceding interest maturity date; and with the approval of the governor, he may from time to time, by public an-



nouncement at the place and time fixed for the sale, continue such sale, as to the whole of the housing bonds offered, or any part thereof offered, to such time and place as he may select. Before offering any housing bonds for sale, the State treasurer shall detach therefrom all coupons which have matured or will mature before the day fixed for such sale.

SEC. 7. Notice of sale, proceeds of sale:

Due notice of the time and place of sale of all housing bonds must be given by the State treasurer by publication in one newspaper published in the city and county of San Francisco and also by publication in one newspaper published in the city of Oakland and by publication in one newspaper published in the city of Los Angeles once a week during 4 weeks prior to such sale. In addition, the State treasurer may give such further notice as he may deem advisable, but the expense and cost of such additional notice shall not exceed the sum of \$500 for each sale so advertised. The proceeds of the sale of housing bonds shall be forthwith deposited by the State treasurer in the housing-loan fund created by this article: *Provided, however*, That any proceeds of the sale, paid as accrued interest or by way of premium shall be paid over by the State treasurer into the general fund of the State.

SEC. 8. Resolutions for issuance of housing bonds:

Whenever the agency shall have determined that the issuance of housing bonds under this article is necessary or desirable, it shall adopt a resolution to this effect. Said resolution shall authorize and direct the State treasurer to prepare the requisite number of suitable bonds and shall specify the aggregate number, aggregate par value, and the date of issuance of the housing bonds to be issued, the date or dates of maturity of the housing bonds to be issued and the number and numerical sequence of the housing bonds maturing at each date of maturity, the annual rate of interest which the housing bonds to be issued shall bear, the number, numerical sequence, amount or amounts and the dates of maturity of the interest coupons to be attached to the housing bonds, the technical form and language of the housing bonds to be issued and of the interest coupons to be attached thereto, and such redemption provisions, with or without payment of premiums as may be specified.

SEC. 9. Interest.

The rate of interest to be borne by the housing bonds shall be uniform for all of the same issue and shall be determined and fixed by the agency in consultation with the State treasurer, according to the then prevailing market conditions, but shall in no case exceed 5 percent per annum, and the determination of the agency as to the rate of interest shall be conclusive as to the then prevailing market conditions. The interest coupons to be attached to the housing bonds shall be payable at semiannual intervals from the date of the issuance thereof provided that the interest coupon first payable may, if the agency shall so determine and specify, be payable 1 year after the date of issuance thereof.

TITLE VI—TAXES

SECTION 1. No property shall be exempt from taxes as a result of financial assistance provided in this article; provided, that any public body shall have power, by resolution of its governing body, to waive, or agree to waive, any taxes, liens, assessments, fees, or charges which may be levied against a housing authority and its property or its operations for such periods and in such manner as such governing body may determine.

SEC. 2. In any year during which the agency shall make payment from the housing assistance fund pursuant to a contract of subvention or guaranty, the total of any tax payments by the housing authority upon

the housing agreement so assisted for such year shall be reduced by an aggregate amount equal to such subvention or guaranty payment, provided that the taxes paid shall not be less than the taxes which would be paid on the assessed value of the property comprising the site at the time of its acquisition by the housing authority.

SEC. 3. The bonds of a housing authority, together with the interest thereon and income therefrom, shall be exempt from all taxes and special assessments of the State or any political subdivision thereof.

TITLE VII—SUPPLEMENTAL POWERS

SECTION 1. Housing authority:

A. Powers:

Any housing authority shall have power: to engage in the development and operation of housing developments and undertakings; to borrow money, or obtain financial and other aid from any source and comply with any conditions thereto; in furtherance of the provisions of this article, to exercise its powers now granted or hereafter extended under any law as if set forth herein; to make contracts with the agency for any assistance provided by, or pursuant to, this article and execute its responsibilities thereunder.

B. Area of operation:

Two or more housing authorities may, by resolution, join in the exercise of their powers and may designate one to act on behalf of all. A housing authority may operate within the territorial limits of another political subdivision with consent by resolution of the government body thereof and the housing authority, if any.

C. Federal aid:

In exercising its powers pursuant to this article or any law, a housing authority shall not be required to obtain assistance from the United States of America or any instrumentality thereof, but a housing authority may agree to receive such assistance and comply with any conditions thereto.

SEC. 2. Public body:

Any public body may exercise, and agree to exercise, its powers to assist and cooperate with any housing authority in the development or operation of housing developments or undertakings pursuant to this article or any law. In exercising its powers, the governing body of a public body may: act by resolution which shall take immediate effect; transfer or convey property or provide public works and financial and other assistance with or without consideration; waive requirements, fees, or other charges; and enter into agreements which may extend over any period. A public body may extend its facilities or services outside its jurisdictional limits to assist a housing development with consent by the governing body of the city, county, or county in which such housing development is located.

TITLE VIII—MISCELLANEOUS PROVISIONS

SECTION 1. Eminent domain:

Anything in this Constitution or the laws of the State to the contrary notwithstanding, housing or redevelopment authorities, agencies, or commissions, or political subdivisions of the State engaged by law in the clearing of slums or blighted areas, redeveloping communities or developing housing, may acquire real property which it may deem necessary for its purposes by the exercise of eminent domain in the manner established by law: *Provided*, That in taking such real property no award of compensation shall be made by reason of any increased value due to the use of real property contrary to law; *Provided further*, That the petition by any such authority, agency, commission, or political subdivision for condemnation of real property for such purposes may request and the court shall order immediate possession of said real property upon payment unto court of the estimated value of the said property. The amount to be deposited shall be determined by the court after appraisal by

two appraisers appointed by the court for such purposes.

SEC. 2. Powers of the State legislature:

(a) Affecting this article:

The legislature shall have power to enact laws providing for financial and other assistance for housing in furtherance of the intent and purpose of this article: *Provided*, That during a period of 10 years from and after the effective date of this article no law shall be enacted which will diminish or lessen the appropriations or powers created or established by this article.

(b) Affecting housing authorities:

The State legislature shall pass no act or amendment to the Housing Authorities law, as amended (Stat. of 1938, ch. 4, as amended), which shall in any way lessen or diminish the powers of housing authorities.

(c) Consolidation of other housing functions:

The legislature may consolidate into the Agency such other housing functions as are being performed or which hereafter may be performed by the State.

SEC. 3. Article controlling; self-executing; and severability:

(a) Article controlling:

Insofar as other provisions of this Constitution or the provisions of any law may be in conflict or inconsistent with the provisions of this article the provisions of this article shall control.

(b) Self-executing:

The provisions of this article shall be self-executing and shall not require legislative action.

(c) Severability:

Notwithstanding any other evidence of legislative intent it is hereby declared to be the controlling legislative intent that if any provision of this article, or the application thereof to any person or circumstances, is held invalid, the remainder of the article and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. McCARTHY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 27, lines 21 and 22, it is proposed to strike out the words "and at specified rents."

Mr. McCARTHY. Mr. President, this is a very simple amendment, and I think it is absolutely necessary. I should like to ask the Senator from Ohio [Mr. TAFT] if he will remain in the Chamber and give this matter his attention. I have unlimited respect for the Senator from Ohio as a lawyer, and for various other reasons.

Mr. President, I feel that this amendment is absolutely necessary if we are to clear up an uncalled-for and unnecessary ambiguity in the bill. I am referring to page 27, in line 21.

Originally the administration presented a bill and a group of Republican Senators also presented a public housing bill. That bill differed somewhat from the language we now have before us, in that, instead of the words "at specified rents" the language "at the rent involved" was used.

I understand that the staff of the Committee on Banking and Currency could not understand what that language meant; nor can I. If I am mistaken in this statement, I hope I may be corrected. I understand that none of the members



of the Committee on Banking and Currency could understand what the language "at the rent involved" meant. So there was substituted the language "at specified rents."

I do not believe the provision has been clarified at all by this change in language. I believe that the language "at specified rents" makes it even more ambiguous than "at the rent involved." I certainly would not want to attempt to administer this section with this language in it. I can see no reason for having the language in the section, so I move that the words "and at specified rents" be stricken so that the Public Housing Administrator and the Congress may know what we are voting on. If those words are stricken from the bill, we shall then have a very clear provision which will accomplish what I am sure the Senator from Alabama [Mr. SPARKMAN] wants to accomplish by this legislation. He has so stated on the floor of the Senate. It will provide what I believe all members of the Committee on Banking and Currency want to provide, and that is public housing units for families which need housing units the worst.

With that explanation, I ask that the Senate now act on this amendment. I would appreciate it very much if the Senator from Ohio [Mr. TAFT] would tell us what he thinks about this language, whether he thinks it is as vague, indefinite, and ambiguous as I think it is; and if not, I hope some Senator can tell us just what the language means.

Mr. TAFT. Mr. President, as I stated to the Senator from Wisconsin earlier this afternoon, it seems to me that the words "and at specified rents" add nothing to the meaning. They do add ambiguity. So far as I am concerned, I am perfectly willing to have the words stricken out, and I would recommend to those in charge of the bill that they be eliminated. I do not see any purpose in those words.

Mr. SPARKMAN. Mr. President, this is the same question which the Senator from Wisconsin discussed yesterday and last Thursday. Yesterday I submitted for the RECORD—and it is to be found on page 4896—a statement which I think explains very clearly the purpose of this language.

The Senator from Wisconsin and I are in complete agreement as to what we want to accomplish. I am definitely of the opinion that the language in the bill does accomplish it in an orderly manner.

In the orderly management of public housing projects the various apartments are arranged according to a certain rent level. Those become the "specified rents." Suppose, for example, there is one level which ought to rent, we will say, for \$30 a month. If the income of a person applying for an apartment were more than \$150 a month, he would not be eligible for that apartment. It seems to me that we must have some arrangement under which the apartments are lined off according to the rents they should bring. That is exactly what is meant by the language "at specified rents."

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. SPARKMAN. The Senator from Wisconsin has expressed the fear that by the use of this term a person with a limited income might be prevented from getting into a housing unit. That is not the purpose at all, and the language would not accomplish that purpose. I assured him of it yesterday, in answer to the question which he asked. I thought he was satisfied with the answer I gave, an unequivocal affirmative answer to the effect that the lowness of income would never bar a person or a family from a unit. It is the bigness of the income that bars the family from admission to the project, and not the smallness of the income. I believe that the language "at specified rents" should be kept in the bill.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MCCARTHY. The original language was "at the rent involved." At that time I invited the attention of the staff of the committee to the fact that, in my opinion, that language would defeat the purpose which I think we are trying to accomplish. Then the language was changed from "at the rent involved" to "at specified rents." I cannot see in what way this change of language cures the defect which the Senator apparently felt was in the bill.

Mr. SPARKMAN. I shall try to give the history of the change as it was made. As I stated the other day, in the original bill there was no requirement that those most urgently in need of housing should be given an absolute preference.

Mr. MCCARTHY. Mr. President, may I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. SPARKMAN. I yield.

Mr. MCCARTHY. I should like to call attention to this point: The administration bill, the Republican bill, and the bill now pending are identical with the exception of the words I have just recited to the Senator from Alabama. All of them provide for a preference, allegedly. The only change has been to strike out the words "at the rent involved"—apparently because Senators thought, as I did, that the bill with those words was defective—and to substitute the words "at specified rents," which I believe make the bill equally defective.

I wonder why the change was made and why the Senator thinks they cure the defect.

Mr. SPARKMAN. Let me correct the statement I made a moment ago when I said, in effect, that in the original bill the words "of most urgent housing need" were not used. Those words were included in the original bill; but in the subcommittee we rewrote the section relating to housing needs and veterans' preference and specified rents; and in the committee print, as it went to the full committee, the words "most urgent housing need" were eliminated. However, in the full committee we rewrote it. There is no particular significance in the change of the language from that contained in the original bill to that included in the bill as it came from the

full committee. The change was made, so far as we were concerned, from the subcommittee version to the version as it came from the full committee.

As I have tried to state, it was the feeling in the full committee that the persons most urgently in need of housing should be given a preference in being admitted to these properties.

Question arose as to the various classifications of apartments and the rents they should bring. So we wrote in the words "at specified rents."

I can assure the Senator from Wisconsin that it was the intent of the committee that the persons most in need of housing should be given an absolute preference in being admitted to such housing, provided they otherwise could meet the requirements; and the words "at specified rent" were included in order to prevent the admission into such housing units of persons whose incomes were too great to entitle them to admission. Those words were not included for the purpose of keeping out the low-income families.

Mr. MCCARTHY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. MCCARTHY. I am very much impressed by the Senator's statement of his intention; but I hope he will remember that the road to some place or other is said to be paved with good intentions.

The Senator has stated that his intention is to take care of those having the greatest housing need. Let me ask this question: Let us assume that the specified rent in one of the projects is \$55 a month. Let us further assume that a certain family is very much in need of one of the three-bedroom apartments in the project, and assume that their housing need is greater than that of any other prospective tenant, even one who could pay \$55 a month; but also assume that the income of the particular family with the greater need is so low that it could not pay more than \$22 a month, the minimum rent. Am I correct in stating that that language would absolutely and definitely bar that family, the family with the greatest housing need; and under those circumstances would not the Administrator have to say, "I shall select a family that is able to pay \$55 a month," and then would not he select one of the families in that income category having the greater housing need?

I may say to the Senator that that is the opinion of a great number of persons in the Public Housing Administration, who very truthfully have told me that that is the effect of this language, and that it was intentionally placed in the bill in order to accomplish that purpose.

So, in view of the fact that the Senator from Alabama has stated to me that he has no intention whatsoever of barring, merely because their income is low, families who need such housing the worst, I ask him whether he can have any conceivable objection to striking out those words.

Certainly the high-income families will be barred because of the language of the bill itself. The public housing section itself makes it incumbent upon the local



authority to determine a maximum salary range, beyond which tenants will not be accepted. With that protection, can the Senator think of any conceivable reason why we should not strike from the bill that trick language—and I use that phrase advisedly—which I say to the Senator, and I have no doubt about it, will completely defeat the purpose of both the subcommittee and the full committee? If there were any valid reason which the Senator could point out as to why or how the striking out of that language would make the bill a poor public housing measure, then most likely I would go along with the Senator; but certainly no damage whatsoever will be done by striking out that language, for to strike it out will simply serve to accomplish what all of us have said on the floor of the Senate we wish to have accomplished.

Mr. SPARKMAN. Mr. President, I think the Senator from Wisconsin is as wrong as he can be in the conclusion he reaches. If we strike that language from the bill, I think the result will be that the low-income families, rather than the others, will be hurt, because then the others will be allowed to enter such housing units. Under such circumstances they might be able to break through and obtain apartments which otherwise the low-income families would obtain.

So I think the Senator from Wisconsin is incorrect in the conclusion at which he has arrived, and I believe that a careful study of the memorandum I placed in the Record yesterday afternoon should convince him of what I say.

Mr. McCARTHY. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. McCARTHY. The Senator from Alabama has not answered my question. I refer to a situation in which the specified rent might be \$55. The bill as presently written provides that the families selected for admission into such housing units will be selected on the basis of the greatest need at the specified rent. Does not that mean that this language would automatically bar any family unable to pay the \$55 rent?

Mr. SPARKMAN. No.

Mr. McCARTHY. That is the clear language of the bill.

Mr. SPARKMAN. No. I shall answer that categorically: No; it does not.

Mr. McCARTHY. Then what do the words "at specified rents" mean? Can the Senator tell me?

Mr. SPARKMAN. Mr. President, I do not know how I could explain it more fully than I did yesterday in answer to the various questions asked by the Senator from Wisconsin, and also by the memorandum I inserted in the Record yesterday.

SEVERAL SENATORS. Vote! Vote!

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, on this amendment I ask for the yeas and nays; and I wish to be heard further in regard to the amendment.

The PRESIDENT pro tempore. Is the demand for the yeas and nays sufficiently seconded?

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. McCARTHY. Certainly.

Mr. WHERRY. Let me inquire whether the President pro tempore stated there was not a sufficient second to the request for the yeas and nays.

The PRESIDENT pro tempore. That is correct.

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hoey	Mundt
Baldwin	Holland	Murray
Bricker	Humphrey	Myers
Bridges	Hunt	Neely
Butler	Ives	O'Mahoney
Cain	Jenner	Pepper
Capehart	Johnson, Colo.	Reed
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kefauver	Saltanstill
Cordon	Kerr	Schoepel
Donnell	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Eaton	Langer	Stennis
Ellender	Lodge	Taft
Ferguson	Long	Taylor
Flanders	McCarthy	Thomas, Okla.
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McKellar	Vandenberg
Gillette	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Williams
Hendrickson	Martin	Withers
Hickenlooper	Maybank	Young
Hill	Morse	

The PRESIDENT pro tempore. A quorum is present.

Mr. McCARTHY. Mr. President—

Mr. WHERRY. Mr. President, will the Senator yield so that I may ask a question of the acting majority leader?

Mr. McCARTHY. I yield.

Mr. WHERRY. Once again the question has come up as to whether the Senate may be able to finish action on the pending bill tonight. I should like to inquire of the acting majority leader whether he has any further information to give Members of the Senate at this time?

Mr. MYERS. I have consulted with the sponsors of the pending amendments. I have also consulted with the minority leader, with the chairman of the Committee on Banking and Currency, and with the chairman of the subcommittee who is handling the pending bill. The general consensus is that we can finish action on the bill tonight. We should not take too long on the pending amendments. I think the Senate should remain in session. I feel that we can finish at a reasonable hour—I have said 7:30, or we might possibly run a little longer; perhaps until 8 o'clock, or a little longer. But I think we should remain in session to conclude action on the pending bill, since we have now remained in session until 10 minutes before 7. I therefore ask Senators to bear with us. If we all do our best, I am sure we can complete action upon the pending bill at a very reasonable hour this evening.

Mr. McCARTHY. Mr. President, I should first like to ask again for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. McCARTHY. I should now like to address myself to this particular amendment for a few minutes, especially for the benefit of Senators who may not have been on the floor when the amendment was first called up.

I should like to have the clerk to reread the amendment.

The PRESIDENT pro tempore. The amendment will be again stated.

The CHIEF CLERK. It is proposed to strike out, in lines 21 and 22, on page 27 of the bill, the words "and at specified rents."

Mr. McCARTHY. Mr. President, this amendment should clear up a very unnecessary and very patent ambiguity in the language of the bill which concerns the public-housing section. Originally, both the administration bill and the so-called Republican bill contained the language "at the rent involved."

This concerns public housing units and the yardstick to be used for the admission of tenants. I called the attention of the staff of the Senator from Alabama [Mr. SPARKMAN] to this confusing language. At a subsequent date the subcommittee substituted the language "and at specified rents." I have asked any number of Senators if they could read the language and tell me what it meant. Up until this time I have not found a single Senator who could answer the question, except that I received an answer from the Senator from Alabama and a much more ambiguous communication from the Public Housing Administration. I have read the explanation of the Public Housing Administration which the Senator from Alabama put into the Record, but, after reading it, I am, frankly, much more confused than I was before I started.

The removal of these words from the public-housing section of the bill can in no conceivable way weaken or damage that section.

Some Senators were not on the floor at the time the Senator from Ohio addressed himself to this particular amendment. As Senators know, the Senator has long been a champion of public housing. He very freely admits that the language is unclear and should be removed from the bill. I say, in all frankness and all seriousness, that unless the language is removed it will be impossible to administer the act, and I urge that the Senate very seriously consider it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. McCARTHY]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.



The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business.

The Senator from Nebraska [Mr. BUTLER] is detained on official business.

The result was announced—yeas 30, nays 46, as follows:

## YEAS—30

Baldwin	Hendrickson	Millikin
Bricker	Hickenlooper	Mundt
Bridges	Ives	Reed
Cain	Jenner	Schoeppel
Capehart	Knowland	Taft
Donnell	Langer	Thye
Ecton	McCarthy	Watkins
Ferguson	McClellan	Wherry
Gillette	Malone	Williams
Gurney	Martin	Young

## NAYS—46

Anderson	Johnson, Colo.	O'Mahoney
Chapman	Hickson, Tex.	Pepper
Connally	Johnston, S. C.	Robertson
Cordon	Kefauver	Russell
Douglas	Kerr	Saltonstall
Ellender	Kilgore	Smith, N. J.
Flanders	Lodge	Sparkman
Frear	McFarland	Stennis
Fulbright	McKellar	Taylor
George	McMahon	Thomas, Okla.
Hayden	Magnuson	Thomas, Utah
Hill	Maybank	Tobey
Hoey	Morse	Vandenberg
Holland	Murray	Withers
Humphrey	Myers	
Hunt	Neely	

## NOT VOTING—20

Aiken	Graham	Miller
Brewster	Green	O'Connor
Butler	Kem	Smith, Maine
Byrd	Long	Tydings
Chavez	Lucas	Wagner
Downey	McCarran	Wiley
Eastland	McGrath	

So Mr. McCARTHY's amendment was rejected.

Mr. CAIN. Mr. President, I desire to call up amendment "C."

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 27, beginning with line 16, it is proposed to strike out through line 2 on page 28, and to insert in lieu thereof the following: "(c) except in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman), which family shall have the preference prescribed in subsection 10 (g) of this act, no family shall be eligible for admission to any low-rent project assisted under this act unless such family is certified, by

the local government agency administering public welfare in the locality, as in need of public contribution toward the payment of its rental; and."

Mr. CAIN. Mr. President, under the bill as drawn, as I understand it, a local housing authority is charged with the responsibility for selecting the tenants who are to live in the federally subsidized low-rent housing projects. The pending amendment would provide that the selection of tenants would be taken from any local housing authority and placed in the hands of the public-welfare agency of the community in which a particular subsidized low-rent housing project was situated.

Mr. President, I think there is a very good and sound reason for the adoption of this amendment. I wonder how many Senators know what a local housing authority actually is, what it consists of.

In every community with whose conditions I am familiar a local housing authority consists of a group of voluntary workers. So far as I know, they are almost invariably fine, busy American citizens who have accepted appointment, generally from the mayor of the community, and willingly volunteer their time and effort in the local public interest, as they relate to housing, without compensation for their services.

The men and women of these many local housing authorities throughout America are, and have been for a long time, doing a fine and richly appreciated service in the general supervision of the public and war-built housing within their respective communities. But the fact remains that because of the very nature of the local housing authorities, all too few of the membership have any concrete knowledge concerning the families who are most in need of Federal housing within their communities.

It seems therefore extremely logical to the sponsors of this amendment that the agency within the community be selected which is best qualified by experience and training and knowledge to make selection of the families who are most in need of Federal housing within any given American community.

A very few minutes ago the very distinguished Senator from Alabama [Mr. SPARKMAN], in speaking in opposition to the amendment which was recently offered by the Senator from Wisconsin and defeated, referred to a statement which he had received a few days ago from the Housing and Home Finance Administrator.

I wish to refer to the very same statement in support of the amendment which is pending. I refer to the statement, because in the words of the Housing and Home Finance Administrator, located here in Washington, we find that in his opinion, on the basis of the record, there are large numbers of families badly in need of Federal housing who are not being accommodated for two reasons: First, the families in need of housing did not know that housing was available, and the local housing authority charged with the responsibility of selecting the tenants did not know that such families in large numbers actually existed within the confines of their jurisdiction.

I presume that if Mr. Foley, the Housing and Home Finance Administrator, did not write the paragraph to which I now refer, he certainly authorized and approved it, because it came in an official document to the Senator from Alabama. The paragraph in part reads as follows:

Time after time, housing authorities have been told by the most underprivileged families that they had not applied earlier because they could not believe "this project was really being built for the likes of us." Local authorities have many times had to enlist the help of welfare agencies and religious organizations in making clear to the families whose housing need is most urgent and whose incomes are lowest, that these projects are actually for them.

In the light of that experience, as it comes from the official spokesman for the subsidized housing which we have been discussing for some time, I think it would serve a concrete and good purpose to have the selection of tenants placed in the hands of the official welfare agency of every American community.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CAIN. If the Senator will permit me just one observation. I am satisfied that the Members of this body are willing to appropriate or authorize the expenditure of many billions of our taxpayers' money for one reason, and one alone; they expect that it will result in public housing to be lived in by the families in American communities who are most in need of housing. If we can make more certain of that by utilizing the experience and the professional training of an official welfare agency and attain a better result than has been achieved by utilizing the local housing authorities, consisting, as they do, mostly of volunteer workers, the Senate would be well advised to adopt an amendment designed only to make more certain the attainment of the objective which all of us seek.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield.

Mr. McCARTHY. I am not sure I understand the pending amendment. Am I correct in believing that it would not mean that only welfare clients would be accommodated in public housing? Am I correct in my assumption that the amendment means that the welfare agency would have the job of selecting as tenants those who were in need of some public assistance insofar as housing is concerned?

Mr. CAIN. The public welfare agency, under the terms of the amendment, would be charged only with determining the families within its jurisdiction who were most in need of housing.

Mr. McCARTHY. The amendment does not mean that the public housing project would be solely for welfare cases?

Mr. CAIN. The adoption of the amendment would not mean that public housing projects would be lived in only by relief and welfare cases.

Mr. SPARKMAN. Mr. President, I wish to utter only a couple of sentences in opposition to the amendment. I call to the attention of the Senate the fact that 41 State legislatures have set up laws whereby local housing authorities



may be established, and providing that the discretion of selecting those who should go into these housing projects would vest in the local housing authorities. Adoption of the amendment would completely upset that machinery which has been established by the 41 States which have provided local housing authorities.

As a matter of fact a great many of the cases in housing projects are welfare cases. I call attention to the fact that in Seattle, Wash., in April 1948, 39 percent of those occupying the low-rent homes were welfare cases. In March, 1949, 43 percent were welfare cases. In the city of Tacoma, Wash., in March, 1941, 20 percent were welfare cases.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list of various cities throughout the United States which have low-rental housing projects, showing the percentage of welfare clients living in the low-rent housing projects compared with all tenants.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*Welfare clients living in low-rent housing projects as percentage of all tenants*

	April 1948	March 1949
	Percent	Percent
Anaconda, Mont.	17	
Baltimore, Md.		11
Boston, Mass.	6	10
Chester, Pa.	9	
Chicago, Ill.	23	20
Cleveland, Ohio (PWA and PL-412 projects)	24	
Gary, Ind.	34	
Hammond, Ind.	24	
Hartford, Conn.	8	
Los Angeles, Calif. (PL-412 projects)	23	15
Louisville, Ky.	10	10
New Orleans, La.		23
New York, N. Y.	8	12
Peoria, Ill.		24
Philadelphia, Pa.	15	14
Phoenix, Ariz.	10	
Pittsburgh, Pa.	20	20
Quincy, Ill.	24	
San Bernardino, Calif.		16
San Francisco, Calif. (admissions in last 6 months)	33	
Seattle, Wash.	39	43
Tacoma, Wash.		20
Washington, D. C.		9

<sup>1</sup> An additional 20 percent of tenants have incomes as low or lower than the welfare clients, but are living on their own resources without public assistance.

Mr. CAIN. Mr. President, the amendment does not require that public-housing projects shall be lived in by only welfare and relief tenants. The amendment simply provides that the selection of tenants shall be placed in the hands of a qualified welfare agency.

I have indeed high admiration and respect for the Senator from Alabama. I think he has done an exceedingly fine and conscientious job with the pending legislation. But I think his thinking on occasion is subject to being questioned in a modest sort of way. Those who framed the amendment have had an exceedingly broad experience on the local level of government throughout the country. Because of that experience we are suggesting that if it is the intention of the Senate to see to it that those who are most in need of housing are accommodated, we can best attain that end by selecting the best qualified personnel to

make the initial tenant selection, and that would be accomplished through the adoption of the amendment.

Mr. President, on the amendment lettered "C," offered by me and the Senator from Ohio [Mr. BRICKER], I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. HILL. I announce that on this vote the senior Senator from Texas [Mr. CONNALLY] and the senior Senator from Georgia [Mr. GEORGE] have a pair.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Kansas [Mr. REED] are detained on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "nay."

The result was announced—yeas 10, nays 65, as follows:

#### YEAS—10

Brewster  
Bricker  
Cain  
Capehart

Ecton  
Jenner  
McCarthy  
Malone

Wherry  
Williams

#### NAYS—65

Anderson  
Baldwin  
Bridges  
Chapman  
Cordon  
Donnell  
Douglas  
Ellender  
Ferguson  
Flanders  
Frear  
Fulbright  
Gillette  
Gurney  
Hayden  
Hendrickson  
Hickenlooper  
Hill

Hoey  
Holland  
Humphreys  
Hunt  
Ives  
Johnson, Colo.  
Johnson, Tex.  
Johnston, S. C.  
Kefauver  
Kerr  
Kilgore  
Knowland  
Langer  
Lodge  
Long  
McClellan  
McFarland  
McKellar

McMahon  
Magnuson  
Martin  
Maybank  
Millikin  
Morse  
Mundt  
Murray  
Myers  
Neely  
O'Mahoney  
Pepper  
Robertson  
Russell  
Saltonstall  
Schoeppel  
Smith, N. J.  
Sparkman

Stennis  
Taft  
Taylor  
Thomas, Okla.  
Thomas, Utah  
Thye  
Tobey  
Vandenberg

Watkins  
Withers  
Young

#### NOT VOTING—21

Aiken  
Butler  
Byrd  
Chavez  
Connally  
Downey  
Eastland

George  
Graham  
Green  
Kem  
Lucas  
McCarran  
McGrath

Miller  
O'Connor  
Reed  
Smith, Maine  
Tydings  
Wagner  
Wiley

So Mr. CAIN's amendment was rejected.

Mr. CAIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 46 it is proposed to strike out lines 6 to 8, inclusive, and insert in lieu thereof the following:

(d) By adding at the end of the proviso in subsection 10 (a) and the proviso in subsection 11 (a) in each case a colon and the following: "Provided further, That no project shall be assisted under this act unless there shall be in force and effect an ordinance or other local law prohibiting the use and operation for residential purposes of property which is unfit, unsanitary, or otherwise detrimental to the public health and the Authority shall determine that, under the provisions of such ordinance or other local law, and within 1 year after the project shall be first available for occupancy, dwelling units substantially equal in number to the number of dwelling units in the project will be demolished or rehabilitated."

Mr. CAIN. Mr. President, the junior Senator from Washington is very conscious of the lateness of the hour, but he hopes that Senators will find it possible to consider the substance of this amendment. I think that most Senators probably know that there are a large number of slum units of housing in this country. I wonder if they know how many it is reliably estimated that there are? The best figure we can find is that we have today in the urban communities of America more than 4,000,000 units of slum housing or substandard housing, whichever one may choose to call it. This amendment merely provides that for the 810,000 low-rent houses to be constructed there shall either be torn down and removed from the premises or repaired a number substantially the same as the number of new houses to be constructed.

I have bothered, as some Senators have, to go back and read what was in the minds of Members of Congress in 1937 when the United States Public Housing Act was first passed. I have found to my complete satisfaction that both Democrats and Republicans, led in that era by the distinguished Senator from New York [Mr. WAGNER], wanted above all else, as a result of the construction of low-rent accommodations, to begin to make serious inroads on the existing slum dwellings.

The other day this question was raised by me to the distinguished Senator from Illinois [Mr. DOUGLAS]. The Senator from Illinois was sympathetic to the intention of my amendment, but he and several other Senators who were likewise very sympathetic thought it was not reasonable to consider it in this legislation,



because in their opinion its adoption would be too costly.

I wish to suggest now to the Senator from Illinois and to my other Senator who is interested that I do not think their fears are justified. In my considered opinion it is conveniently, possibly, and completely practicable in every American city about which I know anything to say to the owners of the slum dwellings, "We will give you 1 year from the time the new homes are ready for occupancy to do one of two things—either reestablish or rehabilitate your substandard units of housing so that it can be considered to be standard, or tear it down."

If this amendment is adopted it will not impose a further penny of cost, so far as I know, on the Federal Government. It would result, by the time we should have built 810,000 fine new homes, in the reestablishment or destruction and demolition of 810,000 present homes which are considered to be of slum quality. I take it to be a fact that if the amendment is rejected, the Congress will be faced with this situation in the future: As we build our 810,000 units, we shall reach into the American slums and shall take out 810,000 American families and place them in this decent housing; but then another 810,000 American families will immediately go into the slums from which we have just taken the first 810,000 families. I know of no other practical approach to the elimination of the American slums than the adoption of the pending amendment which will only carry out precisely the intent and purpose and principles of the designers and authors of the first major law on this subject as approved by the Congress in 1937. If there is no cost to be imposed upon the Government by the amendment, then I know of no valid reason why the amendment should be rejected. Out of my own experience, I know that in most American communities there are prevailing codes and regulations which, if enforced, would, as of the present time, require that substandard slum housing be abolished from those communities or brought up to standard.

This amendment would be very helpful in that respect, because it would say to the average American community, "As your Federal Government seeks to help you in providing sanitary, decent homes for your families of low income, your Federal Government thinks it has a legitimate right to require your community to start to clean up your house, so as to get rid of your own slums."

Mr. President, I take it to be a certain fact that no Senator will vote against this amendment because he does not approve of its purpose. Should Senators vote against the amendment, they will do so because somehow or other they think it is not practical or would be too costly.

So, Mr. President, as against my considered opinion and contention that, under this amendment, there is no obvious or apparent cost to the Federal Government, I would deeply appreciate hearing at this time from those who up to this moment have opposed the amendment because they did not think it practical. I

should be most appreciative if they would respond to the observations I have just made, and particularly would the distinguished junior Senator from Illinois [Mr. DOUGLAS] please me by making any comments he may care to make.

Mr. President, I ask for the yeas and nays on what is to me the second most important amendment of all.

The PRESIDENT pro tempore. The Senator from Washington requests the yeas and nays on this amendment. Is there a sufficient second? The Parliamentarian advises the Chair that there is not a sufficient second.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

Mr. MAYBANK. Mr. President, will the Senator from North Dakota withhold his suggestion of the absence of a quorum until the number of Senators seconding the request for the yeas and nays can be counted again?

Mr. LANGER. I understood the President pro tempore to announce that there was not a sufficient second.

Mr. MAYBANK. That is correct; but will the Senator withhold his suggestion of the absence of a quorum until the count can be taken again, so that some of us who were discussing the amendment among ourselves may respond to the call?

Mr. LANGER. Very well, Mr. President; I withhold my suggestion of the absence of a quorum.

The PRESIDENT pro tempore. Very well.

On this amendment the yeas and nays have been requested. Is there a sufficient second?

Evidently there is a sufficient second, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND], and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from Georgia [Mr. GEORGE].

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], and the Senator from Missouri [Mr. KEM], are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH], is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "nay."

The Senator from Connecticut [Mr. BALDWIN], the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Kansas [Mr. REED] are detained on official business. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay."

The result was announced—yeas 22, nays 50, as follows:

#### YEAS—22

Brewster	Gurney	Taft
Bricker	Jenner	Vandenberg
Bridges	Knowland	Watkins
Cain	Malone	Wherry
Capehart	Martin	Williams
Donnell	Mundt	Young
Ecton	Saltonstall	
Ferguson	Schoeppel	

#### NAYS—50

Anderson	Johnson, Colo.	Morse
Chapman	Johnson, Tex.	Murray
Cordon	Johnston, S. C.	Myers
Douglas	Kefauver	Neely
Ellender	Kerr	O'Mahoney
Frear	Kilgore	Pepper
Fulbright	Langer	Robertson
Gillette	Lodge	Smith, N. J.
Hayden	Long	Sparkman
Hendrickson	McCarthy	Stennis
Hickenlooper	McClellan	Taylor
Hill	McFarland	Thomas, Okla.
Hoey	McKellar	Thomas, Utah
Holland	McMahon	Thye
Humphrey	Magnuson	Tobey
Hunt	Maybank	Withers
Ives	Millikin	

#### NOT VOTING—24

Aiken	Flanders	Miller
Baldwin	George	O'Connor
Butler	Graham	Reed
Byrd	Green	Russell
Chavez	Kem	Smith, Maine
Connally	Lucas	Tydings
Downey	McCarran	Wagner
Eastland	McGrath	Wiley

So Mr. CAIN's amendment was rejected.

Mr. DOUGLAS. Mr. President, for the sake of completeness of the legislative record, I should like to ask unanimous consent to have inserted in the RECORD at this point a copy of a letter which I addressed yesterday to the Administrator of the Housing and Home Finance Agency, together with his reply, directed to the point covered by the Senator from Washington in his amendment. I should like to make merely a very brief statement of the contents of my letter and the contents of his reply.

I joined with the junior Senator from Washington in the hope and belief that the preponderant proportion of the funds under title I would be used for slum clearance and would not be used to bypass slum clearance in order to acquire an undue number of sites on the outskirts of cities. I recognized, of course, that there must be some such, in order to take care of the displaced families and the spillover of population, but I thought it was the intent of the Senate that the major portion of the \$1,030,000,000



should be used for slum clearance. I therefore addressed a letter to the Housing and Home Finance Administrator yesterday, pointing out what I had said on the floor of the Senate, expressing my hope that this was the intention of the Administration, and requesting a reply from him.

Today I have received the reply. I shall read only the last paragraph:

I can assure you that if title I is enacted, it will be my firm policy to administer that program in such manner as to concentrate its benefits on local programs that will place maximum emphasis on the actual clearance of slums.

In conclusion I should like to say, woe betide any Administrator who bypasses the clearing of slums and who devotes the preponderant proportion of the funds merely to acquiring sites on the outskirts of cities.

There being no objection, the two letters were ordered to be printed in the RECORD, as follows:

APRIL 20, 1949.

DEAR MR. FOLEY: I would like to direct your attention to statements which I made on the floor of the Senate on April 19 during the course of my discussion of the slum clearance program proposed under title I of S. 1070.

During a colloquy with Senator CAIN, of Washington, I made the following remarks, as quoted on page 4825 of the CONGRESSIONAL RECORD:

"That is something devoutly to be wished, and I hope that in the administration of this act the Housing Administrator will not primarily bypass slum clearance for development on the outskirts. I hope we can make on the floor of the Senate a record sufficiently strong as to make plain that his primary obligation is to clear the slums under title I. Anything the Senator can say, or anything I can say in that direction will be in the right direction. There will, of course, have to be areas developed on the outskirts to provide new housing for displaced families."

I should like to take this occasion to re-emphasize my very strong conviction that the actual clearance of slums is the primary purpose and primary justification for the substantial Federal financial assistance which will be made available when title I of S. 1070 is enacted into law, as I am confident it will be.

In stressing this purpose and justification, I am in no way denying the necessity for including in the authority under Title I the right to assist local public agencies in also acquiring open sites as an adjunct to overall slum clearance programs in communities. During the course of my remarks on title I, I called attention to the importance of such authority as an adjunct to slum clearance operations and in order to make possible the dispersion of slum population and the elimination of the overcrowding and overbuilding which are among the worst aspects of slum conditions.

However, I have the profound belief that the acquisition of open sites for development purpose should at all times be subordinate to the basic purpose of the actual clearance of slums and that the primary emphasis in the execution of that program will be placed on that basic purpose.

I sincerely trust that this will be the guiding principle in the administration of this program after the enactment of title I.

Sincerely yours,

PAUL H. DOUGLAS,  
United States Senator.

HOUSING AND HOME FINANCE AGENCY,  
Washington, D. C., April 21, 1949.  
Hon. PAUL H. DOUGLAS,  
United States Senate,  
Washington, D. C.

DEAR SENATOR DOUGLAS: In reply to your letter of April 20, I can state unequivocally, as I have in my testimony before the Committees on Banking and Currency of the Senate and the House of Representatives, that I have understood and believed the primary purpose of title I of S. 1070 to be the clearance of slum areas. I have also made clear my understanding and belief that the authority contained in that title for the acquisition of open sites, while essential to the effective execution of slum-clearance programs, is subordinate and supplementary to the basic purpose of slum clearance.

Actually, I have always considered that the various authorities contained in title I would serve a single purpose since the clearance of slums cannot be accomplished by demolition alone. Families displaced from these overcrowded slum areas must have an opportunity to move to better houses either in the reconstructed slum areas or elsewhere. It is apparent that a large number of these families cannot be housed on the redeveloped central sites. In eliminating overcrowding, which is a characteristic of slum areas generally, the population of central areas will be reduced, and some displaced families must be provided with housing in other and more open areas in our cities, even if the slum site is entirely redeveloped for housing. Many slum areas, however, are not suitable housing sites at all, and in accordance with sound city-planning principles, will be redeveloped for commercial or industrial purposes. Title I offers financial assistance to communities to assemble open land for housing sites and thus would eliminate an important obstacle to the rehousing operation.

Actually, the open land phases of the title I program, even if used as extensively as possible in support of the clearance of central slums, will require a very small part of the financial authorization.

Even if all families displaced from slum-clearance projects assisted under title I were to be rehoused in new accommodations on open sites, it is reasonable to estimate that only a very small percentage of the loan and grant authority contained in title I would be utilized for the acquisition and preparation of such open sites and that the great bulk of that loan and grant authority would be available for the acquisition and clearance of built-up slum areas.

I have read with great interest your able discussion of title I of S. 1070 during the debates on April 19, and I find myself in full accord with your position that the actual clearance of slums and the lifting of slum conditions from the families now living in them constitute the basic purpose and justification for the Federal financial assistance which would be authorized by that title.

I can assure you that, if title I is enacted, it will be my firm policy to administer that program in such manner as to concentrate its benefits on local programs that will place maximum emphasis on the actual clearance of slums.

Sincerely yours,

RAYMOND M. FOLEY,  
Administrator.

Mr. TAFT. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 41, lines 15 and 16, it is proposed to strike out "115,000" and insert "40,000."

Mr. TAFT. Mr. President, the pending bill authorizes a total of 810,000 dwellings in 6 years, or 135,000 a year. It, however, contains a discretionary provision by which the President, if he finds or thinks more construction is needed or the economic conditions of the country justify it, may add 115,000 in every year, so that it would bring it to a total each year of 250,000, and he might thereby accelerate the program so that it would be completed in slightly more than 3 years. That would be a very easy thing for him to do, and I am very much afraid he might do it. The amendment proposes to leave the 810,000 and the 135,000, but to reduce the discretionary power to add 115,000 in any one year to 40,000, or a total of 175,000 dwellings in a year.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Alabama.

Mr. SPARKMAN. I was under the impression that the able Senator from Ohio was agreeable to a compromise figure, setting the maximum at 200,000, which would involve a change in his amendment.

Mr. TAFT. It would change it from "40,000" to "65,000."

Mr. SPARKMAN. Am I correct in that understanding?

Mr. TAFT. Will the Senator be willing to accept the amendment, if I meet that modification?

Mr. SPARKMAN. Yes. I was under the impression that that suggestion had been made to the Senator and that he was agreeable to it.

Mr. TAFT. I should be willing to modify the amendment. I should like to say that our total construction in 1948 was about 900,000, and it seems to me that 250,000 public units in a single year is out of proportion to the total program and should not be permitted; that it would take materials and supplies away from the private builders, who would then have a legitimate objection, and furthermore, the program would be too large. I think 200,000 a year is still a little large, but if the Senator is willing to accept that figure I am willing to compromise. I hereby modify my amendment by striking out "40,000" and inserting "65,000."

The PRESIDENT pro tempore. The clerk will state the amendment, as modified, for the information of the Senate.

The LEGISLATIVE CLERK. On page 41, lines 15 and 16, it is proposed to strike out "115,000," and insert "65,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I send to the desk another amendment, which I ask to have read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 56, it is proposed to strike out sections 404 and 405; on page 58, line 7, to strike out



"404" and insert "403"; on page 58, line 15, to strike out "404" and insert "403"; on pages 60 and 61, to strike out section 408; and on page 67, after the word "Secretary" and the semicolon in line 10, to strike out the remainder of line 10 and all of lines 11 to 14, inclusive, and line 15 through the letter "(c)," and insert "(b)."

Mr. TAFT. Mr. President, the purpose of the amendment is to strike out the third section of the farm-housing program. The problem of farm housing is somewhat different from the problem of city housing. It has never been satisfactorily studied. Our committees over and over again tried to get the Department of Agriculture to make a complete study and to present some intelligent discussion and an intelligent solution of the problem of farm housing. Finally, approximately 2 years ago, they came up with this particular program. I do not think they themselves claim they have made a complete study of the subject. There is this problem in farm housing, that if there is a mortgage on the farm it is very difficult to procure money to build a farm house, because it is difficult to get a first mortgage on the house.

Sections 1 and 2 are devoted to trying to solve that problem and to permit the Government to give a second mortgage to enable a farmer to improve his house to the extent of the income from the farm, which will take care of the interest and sinking fund on such mortgage.

The third section, however, is one which seems to me to have no constructive purpose and which will have no constructive result. It is found on page 56 of the bill. It provides:

In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403—

That means that a farm which cannot earn its own way is certainly a completely submarginal farm, which the Secretary says cannot possibly be made anything other than a submarginal farm. Under those conditions—

the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements.

It is further provided that no assistance shall be extended to any one individual in excess of \$1,000.

I think if \$1,000 is spent to improve a submarginal farm, it will be only a few years until there is another slum dwelling. It is in no way comparable to what is done in cities. It is not a satisfactory solution. If someone can come up with a satisfactory solution along the line of what we have done in the provisions regarding cities, I shall be very glad. The ordinary public-housing provision can be applied to rural housing if there is sufficient initiative to build up a local housing authority. It has been done in certain districts in Georgia. But to provide \$1,000 per farm to enable a farmhouse to be fixed up and have screens put on it, or some such slight improvements made,

is, it seems to me, simply in the nature of a hand-out. It does not solve the problem. It does not make that particular house a decent house if it was not decent before. If it was not a decent house before, I think it is very unlikely that it will be a decent house by reason of the expenditure of that amount of money. A farmer can borrow money for repairs, under FHA, if he has any credit.

I think this particular provision is an unfortunate one. It seems to be thrown in by way of doing something for the farmers in order to balance what we are doing for the city people. When we help the farmer we must do it in a different way. We have a number of different provisions regarding submarginal farms to help the farmers on a comprehensive scale to build up their own farms, under the various Bankhead laws, and other provisions for loans, such as those covering seed and the planting of crops. In addition to that, we are maintaining price supports for farmers so that they will receive a reasonably ample return in proportion to the income of other segments of the community. According to present indications, the Commodity Credit Corporation may have to use, by the end of this year, as much as \$4,000,000,000 to buy up crops in order to maintain that guaranty.

So, Mr. President, I feel that the language should be stricken from the bill. The local committees provided for are not necessary for programs 1 and 2. They are only included because, under the third program, there was no way to handle it without some kind of local "hand-out" committee to decide who is and who is not deserving.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Does not the Senator from Ohio think it might be possible with \$1,000 to build a bathroom in a farm home and, in addition to that, probably put screens on the doors and windows; and would not those two additions probably entirely change the character of the farm home to one which might be habitable but which otherwise would not be habitable?

Mr. TAFT. No; I do not think it would change the character of the home. I think it would be very much the same kind of home afterwards as it was before the money was expended. I do not believe it would in any way provide a reasonably permanent home to which the farmer could look forward for any considerable number of years.

Mr. PEPPER. Mr. President, will the Senator yield for another question?

Mr. TAFT. I yield.

Mr. PEPPER. Suppose the farmer has already shown some initiative by repairing his own home, but is unable to build an ideal type home. The question is whether he is to have an outhouse, running water, or bath facilities in his house, and whether flies come into his open windows and doors, or whether he shall have screens on his doors and windows. I think that might make a great deal of difference.

Mr. TAFT. If we were doing this in a city, I should be just as strongly opposed to saying, "Here is \$1,000 if you want to fix up your house." I think the thousand dollars would be thrown away, in 9 cases out of 10. It would simply be another form of relief. We might as well put the whole thing on a relief basis. The program is in no way constructive.

The bill which we introduced did not contain this provision, and when I joined in the general bill I expressly reserved the privilege of offering this particular amendment. I wanted to make that clear.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DOUGLAS. Is not the Senator aware that the purpose for which these loans and grants can be made to submarginal farmers includes not merely screens, but toilet facilities, and provision for a convenient and sanitary water supply; and is not the primary purpose to eliminate typhoid fever from these farms by seeing to it that there is a sanitary water supply, that the toilet facilities are sanitary, so that there is no contamination of the water supply? Is not that a tremendously important purpose?

Mr. TAFT. I think one would have a very difficult time, with \$1,000, to install a Delco system to provide running water in any house in the United States. It is very difficult to do any such comprehensive repairs for \$1,000.

SEVERAL SENATORS. Vote! Vote!

Mr. RUSSELL. Mr. President, I can assure the Senate that I shall not detain it for any great length of time or postpone the vote. I wish to express my regret that the distinguished Senator from Ohio has seen fit to level his fire on the smallest, though one of the most important items, in the bill. To level his fire at this item, which involves the expenditure of only \$1,000,000 for the first year, and a total of \$12,500,000 for the 5-year period, is almost like pointing a 16-inch naval gun at a canary.

Mr. President, anyone who is at all familiar with housing conditions on the farms of the United States knows that the most deplorable slums of the Nation are not found in the great cities, but on the farms. Oftentimes, particularly in the section of the country from which I come, one may see a little house with holes in the floors, and holes in the walls through which one could throw a cat, with rain coming through the roof, but perhaps with a little vine growing up the side of the house. Passersby, riding along the road, may say, "Oh, how picturesque. Look at that unusual farm home." They know nothing of real living conditions on the farm, but they may be greatly concerned about the elimination of slums in the cities. To appropriate money to eradicate the slums in the city, and pay no attention to the slum homes on the farms would be unfair and un-American.

The amount of money involved in this provision of the bill this amendment would eliminate is almost pitiful, it is so inadequate. Only \$1,000,000 is provided for grants for the first year, and the total



amount involved for 5 years is \$12,500,000.

I do not complain about the grant of one-half billion dollars for slum clearance. I think that appropriation is necessary, and will contribute to a better life in the United States. We know that this program as applied to the cities will finally reach a figure of \$308,000,000 a year in annual subsidies. Yet, though 20 percent of our people live on the farms, the maximum which can be reached under the farm housing program is \$5,000,000 a year.

In view of this great disparity in the sums involved, I submit, when we consider the number of people who are affected, that if any action whatever were taken regarding this provision in the bill, the amount provided should be increased rather than reduced.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. The distinguished Senator from Georgia had an amendment inserted in the housing bill last year to care for the farms. He heard the testimony today as to the income of the farmers. He states that some 20 percent of the people in this country live on the farms. What about their income?

Mr. RUSSELL. They receive 9.3 percent of the total national income.

Mr. MAYBANK. So that one-fifth of the people live on the farms, and they receive less than 10 percent of the national income.

Mr. RUSSELL. The Senator is correct. Yet, if the amendment proposed by the Senator from Ohio should be agreed to, it would deny them even this pittance, in a program in which we are supposed to be acting to improve the living conditions of the American people.

Mr. President, there are many marginal and submarginal farm homes in this country. The Senator from Ohio says that if we spend \$500 on these homes it is thrown away. I submit that \$500 spent on submarginal farm homes will contribute to improving the health and the welfare and the living standards of the American people.

Now to get down to a practical aspect of the problem. If we continue to neglect these woefully inadequate homes, some of which are scarcely fit to be used to house animals, much less people, those who live in them now will not continue to endure such conditions. When the city housing program is started, they will move to the cities, and endeavor to secure the benefit of the better houses provided in the bill for the cities. This will only accentuate the housing problem in the cities instead of relieving present conditions. It would be one of the most economical measures we could adopt if we should authorize the use of \$500 or \$1,000 to make these houses habitable, so that people would be content to stay in them, rather than have them all trooping into the cities. This has been the trend in recent years.

Mr. President, I am amazed at this criticism of the committee system involved in the amendment. This committee system has been in operation since the inception of the farm security

program. Three outstanding farmers are selected in an agricultural county, and they pass on the applications for loans made by those who cannot obtain loans elsewhere than with the Farmers Home Administration. It has saved the Government millions of dollars. It has given the administration of the Farmers Home Administration a tower of strength in every county, because they had three outstanding farmers who were interested in the program.

Here we find an effort made to cut out this pittance of \$12,500,000, which means so much to people who live in slums, even though they are not located in cities, by one who is supporting a bill which will cost, over the period of time contemplated, \$14,000,000,000.

Any American program to help solve the housing problem must carry some measure of assistance to the farms of the Nation, and go hand in hand with efforts to better the living conditions of those who dwell in the cities.

Mr. SPARKMAN. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Alabama.

Mr. SPARKMAN. With reference to the committees, is it not true that the bill proposes to use the same committees which are already being used?

Mr. RUSSELL. I am glad the Senator called that to my attention, because I did not know that was a fact. Those committees have been in operation for a number of years, and have proved to be one of the most stabilizing factors in all the activities of the Farmers Home Administration, which, as I understand, will administer the provisions of the bill we are discussing.

Now I wish further to point out that the amendment of the Senator from Ohio would strike out section 405 of the bill in its entirety. Section 405 does not relate solely to the loans and grants made to those living under submarginal conditions. It relates to all the loans made under the provisions of the bill for farm housing everywhere throughout our land. Section 405 takes note of the fact that the farmer is constantly dealing with hazards that are beyond his control. The grasshoppers eat up his wheat or corn, the boll weevil may destroy his cotton.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. My impression was that section 405 applied only to section 404. Does the Senator think it applies to sections 402 and 403?

Mr. RUSSELL. If the English language means anything it applies to all of the provisions of the bill, and would eliminate the moratorium which might be granted in case of drought or other misfortune to the farm population.

Mr. TAFT. I am not certain about it, but I ask leave to modify my amendment so that it will not strike out section 405.

Mr. RUSSELL. I am afraid the Senator's information in regard to the provisions of section 404 is just as nebulous as his information as to section 405, which applies to all the loans made under the terms of the bill.

The Senator says that no study has been made. Hearings have been held on this question of farm housing every time there has been a housing bill before the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. I never heard any farm organization testify in favor of this provision. I believe that once the Farm Bureau Federation appeared to oppose the provision, indeed, wanted all the farm sections taken out, because they thought the subject had not been properly covered. My understanding is that this year there was no evidence before the committee in favor of this provision.

Mr. RUSSELL. I would not be critical of the Farm Bureau Federation or any other farm organization, but I will say that most of the farm organizations are controlled by men who own their farms and who have adequate housing facilities. However, I may say that the National Farmers Union has today taken action strongly urging the defeat of the Senator's amendment. So that there is at least one farm organization which is strongly opposed to the Senator's amendment, and which is urging the Senate to adopt the provision reported by the Committee on Banking and Currency.

Mr. THYE. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. THYE. In accordance with what the senior Senator from Ohio has said about modifying his amendment, he will confine it entirely to section 405, will he not?

Mr. RUSSELL. Section 404.

Mr. THYE. Am I right?

Mr. TAFT. My amendment originally took out section 405. But the amendment as modified leaves section 405 as it is. My interpretation was that the language "any such loan" referred to the loans referred to just ahead of that language in section 404. The Senator from Georgia feels it applies also to section 402 and section 403, and I am perfectly willing to have it apply to 402 and 403. I therefore modify the amendment so that section 405 will remain in the bill.

Mr. RUSSELL. Mr. President, I wish to conclude by saying that those who live in these pathetic farm dwellings, these poor, tumble-down shacks, which we see in the coves and on the side roads—we do not see them on the main highways—are not able to be associated with one of the big farm organizations. They are unable to make their voices heard. They are unlike those in the cities, whose representatives here, mayors, labor unions which are interested, many great charitable organizations which are interested, appear in their behalf. They live back almost out of contact with the world, and it would be a great tragedy if the Senate of the United States, in passing this comprehensive piece of legislation, were to strike out this one small item of \$12,500,000, which offers a ray of hope to those who live back on the forks of the creek,



back in the woods, and whose voices are all too seldom heard in this Capitol.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CAPEHART. How much money would be appropriated the first year?

Mr. RUSSELL. One million dollars.

Mr. CAPEHART. And we are going to loan \$1,000 to each needy farmer?

Mr. RUSSELL. No; make loans of \$500, and make grants up to \$500.

Mr. CAPEHART. A thousand dollars in all?

Mr. RUSSELL. Yes.

Mr. CAPEHART. One million dollars is all that is involved. It certainly is a very, very small sum to give to the American farmers, when we consider that Congress voted a few days ago to authorize \$5,580,000,000 to go to the people in foreign countries. The amount provided in the bill for the farmers is really so very little, and because of the very fact that it is so little I am wondering whether we should give them anything. I simply cannot conceive of this body only appropriating \$1,000,000 for the farmers. If \$1,000 were provided for a farmer, the total amount would provide for only 1,000 farmers. In other words, that is what we would do by this bill—provide for only 1,000 farmers.

Mr. RUSSELL. The Senator is assuming that each farmer will receive the maximum amount of \$1,000. In my opinion a number of farmers will be benefited by loans as low as \$50. The living conditions of many farmers will be greatly enhanced by loans of \$50. Of course, I think the total amount is woefully inadequate. The Senator from North Dakota has an amendment which would increase that amount. If the Senator from North Dakota presses his amendment in its present form it may jeopardize the entire bill, but we certainly would be justified in increasing the amount substantially. We certainly should not support the amendment offered by the Senator from Ohio [Mr. TAFT], which would strike this entire provision from the bill.

Mr. CAPEHART. It seems to me we are not living up to our record, when we appropriate only \$1,000,000 for the farmers.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], as modified.

Mr. LANGER. Mr. President, I want to protest against taking up the question of farm housing at this hour of the night. We spent all day Monday discussing funds for the city people, and all day Tuesday and all day Wednesday. Now at this hour, at a quarter after 8, we are going to take up the question of helping the farmers of the United States of America. So far as I am concerned, I do not propose that the Senate shall come to a vote on this question tonight, if I can help it, even though I am obliged to stand here and read the entire bill.

I want to associate myself with the distinguished Senator from Georgia [Mr. RUSSELL]. In almost every State, indeed in every State, poor, tumble-down farm

shacks can be found. The farther we go out into the country, the farther away from town we get, the poorer we find the farm homes to be. There is no State in the Union where some submarginal land and farms thereon does not exist. There is no question that the Senate can do a tremendous amount of good in lending to farmers even the small sum of \$1,000, which I think is woefully inadequate to relieve conditions existing in some of the submarginal regions.

The first part of the bill contains the provision that a man who builds a house in the city can borrow \$750 for the construction of each room. Then it is further provided that under certain conditions in the city a man can borrow \$1,750 for the construction of each room. And further, that under certain other conditions a man can build a house in town at the cost of \$2,500 per room. As the distinguished Senator from Georgia said, the sum of \$12,000,000,000 is provided for the city people, and then the bill provides a measly \$1,000,000 for the farmers.

That is not all, Mr. President. There are certain parts of the housing bill which should not be included in it. The Senate should take this matter up very carefully.

Therefore, Mr. President, on behalf of the farmers of the United States, I move that the Senate recess until 12 o'clock noon tomorrow, when we can give this matter sufficient time thoroughly to take care of the needs of the farmers.

The PRESIDENT pro tempore. The motion is in order, but is not debatable. The question is on agreeing to the motion of the Senator from North Dakota. [Putting the question.]

Mr. LANGER. Mr. President, in order that the—

Mr. WHERRY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. What was the result of the vote?

The PRESIDENT pro tempore. The result has not been announced.

Mr. WHERRY. Oh, excuse me.

The PRESIDENT pro tempore. The "noes" appear to have it. The "noes" have it, and the motion is lost.

Mr. LANGER. Mr. President, I will take the rest of the evening in speaking, so that is all right with me.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I want to take up in detail the matter of housing for the farmers of the United States of America.

Mr. MAYBANK. Does the Senator intend to offer an amendment?

Mr. LANGER. I intend to offer three amendments before I am through.

Mr. WHERRY. Mr. President, I suggest that the Senator is out of order, and I ask for order.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. LANGER. Mr. President, I call attention first of all to the fact that the bill would set aside \$12,000,000,000 for city housing, but yet when it comes to the farmer the bill starts off with a meas-

ly \$1,000,000. I want to say that if Senators think that some of us from farm States are going to stand idly by and tolerate that kind of action without a fight they are mistaken.

Mr. President, a part of this measure should be eliminated. I agree with the Senator from Ohio that a part should be taken out of the bill. For example, section 405, paragraph (a) should be eliminated in its entirety. I will read it:

In connection with financial assistance authorized in sections 401 to 404, inclusive—

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. LANGER. I refuse to yield at this time.

Mr. MAYBANK. Will the Senator not yield for a question?

Mr. LANGER. I refuse to yield, even for a question.

The PRESIDENT pro tempore. The Senator from North Dakota declines to yield.

Mr. LANGER. Mr. President, I am reading from section 406 (a), which I believe should be eliminated entirely. I read:

In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs—

Repairs which may cost \$25, which may cost \$50, which may cost \$100 to \$500—

financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary.

So we have a man located here in Washington who will have under him a great many agents, who will tell the farmers what kind of buildings to build. I continue to read:

Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary.

Now listen to this:

In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title—

So a poor farmer in Oklahoma who is broke will receive a miserable \$500; he cannot receive more than that, and he may receive only \$250—

the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans—

They are going to have building plans for this farmer in Oklahoma, I want the distinguished Senator from Oklahoma to know. In connection with a loan of \$400, \$300, or \$250, the Secretary can make him take building plans, and charge him for them.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I refuse to yield.



Mr. President, in addition to giving him building plans, he must have, if the Secretary so directs, technical services—technical services such as building plans, specifications, construction supervision, and inspection, and advice—

I do not know what the advice is, unless it is advice as to whether he should build a toilet with one hole, or three or four—

advice and information regarding farm dwellings and other buildings.

This man goes out there, with the result that a charge is made in the amount which may be determined by the Secretary of Agriculture. On a \$250 loan the charges may be \$100. The farther a man lives from town the more the charge will be. In the West many farmers live 30, 35, or even from 50 to 75 miles away from the county seat. They are going to send men out there, first of all, to supervise. Then they are going to send men out to inspect.

I certainly agree with the Senator from Ohio that if we are to take anything out of the bill, paragraph (a) of section 406 should be taken out.

In addition—

The Secretary is further authorized to conduct research and technical studies.

This is after he was supervised and inspected the farmer.

A man may be getting a loan of \$400 or \$500. There is a provision that the Secretary is authorized to conduct "research and technical studies, including the development, demonstration, and promotion of construction of adequate farm buildings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials."

They could go out to the western part of the United States and experiment with a mixture of peat and lignite coal from North Dakota, to find out whether they could construct a building from such a mixture, and charge it all to the farmer.

In addition, the Secretary of Agriculture is authorized to study "economies in materials and construction methods."

That is to find out just how they are going to construct these buildings. He is further authorized to study "new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use."

I believe that the entire subsection (a) should be stricken out. I move that it be stricken out.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair advises the distinguished Senator that there is already an amendment pending, so the motion is out of order.

Mr. LANGER. At the appropriate time I shall so move.

Now we come back to title IV, Farm Housing. I wish to demonstrate how little is being done for the farmers of the United States, in comparison with people in the cities. As I previously stated—and it cannot be denied, because here it is in black and white—a man in the

city who is going to get some help can borrow \$750 for one room. I want to repeat it so that there will be no doubt about it. He can borrow up to \$1,750 more under certain conditions, and under other conditions he can add those amounts together, making \$2,500 a room, without the lot. So if he has a four-room house, that is \$10,000. If it is a five-room house, it is a \$12,500 house. But the farmer is limited to \$1,000.

Because of the fact that I believe many Senators have not read title IV, I am going to read it in full:

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

Mr. President, I wish to pay tribute to the distinguished son of Georgia, the Senator from Georgia [Mr. RUSSELL], who has done so much for agriculture in this country.

Mr. RUSSELL. I thank the Senator.

Mr. LANGER. I well remember the enormous amount of work the Senator from Georgia did for REA.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. RUSSELL. I wish to say to the Senator from North Dakota that no Senator has been more active in promoting the cause of REA, or more vigorous in supporting farm amendments than has the Senator from North Dakota.

Mr. LANGER. I thank the distinguished Senator, but the Senator from North Dakota did not come here until long after the able Senator from Georgia had been one of the leaders in this fight. It is true that in the past few years I have done all I possibly could for the farmers of the Great Plains area; but compared with what the distinguished Senator from Georgia has done, it is very insignificant indeed.

I might tell my distinguished friend from Georgia that in the Great Plains area we have done considerable for REA during the past year—for South Dakota, North Dakota, Nebraska, Wyoming, and Montana. North Dakota was at the very bottom of REA a year and a half ago. The State of South Dakota was the forty-seventh State. It had just a few more farmers receiving the benefits of REA than did the State of North Dakota.

So we went to the Department of Agriculture and to the REA. First of all, we found that owing to the war there was a shortage of material. It was impossible at first to get poles for the Great Plains area. We subpoenaed Mr. Wickard before the Committee on Civil Service, investigating personnel. Mr. Wickard came before us and testified for more than a week. He brought in charts showing, for example, that in the State of Rhode Island 95 out of every 100 farm-

ers had REA. He submitted charts showing that in the State of Washington 81 farmers out of every 100 had REA, but in the State of North Dakota less than 7 farmers out of every 100, and in South Dakota less than 9 farmers out of every 100, had those benefits. Mr. Wickard stated that he would do all he possibly could to help the Great Plains area.

Last year I discovered, for example, that Wyoming jumped from nearly the bottom of the list to twenty-sixth. In the Great Plains area, aside from Wyoming, Nebraska had actually decreased. We found, that in the State of Minnesota, roughly 5 years ago, 40 out of every 100 farmers had REA. In Montana 25 out of every 100 had it.

The distinguished Senator from Nebraska [Mr. WHERRY] will remember that we asked him to appear before the committee. He came in and interrogated Mr. Wickard, the head of the REA. The excuse which Mr. Wickard gave for Nebraska having a smaller percentage as it went along, and losing its position, while Wyoming went up and up, was the fact, as he stated it, that in the Wyoming valleys there was a larger population, and that therefore REA had, of course, made much greater progress in those areas.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I wonder if the Senator from North Dakota wants considerably more time to finish the speech he is making which is very informative. If he does, I wonder if it would be agreeable for him to continue tomorrow, if it may be understood that he may retain the floor.

Mr. LANGER. Mr. President, I should like to have a vote taken on the Taft amendment before we take a recess tonight; but after the vote is had on that amendment, I wish to have time given to the distinguished junior Senator from Georgia [Mr. RUSSELL] and myself to prepare amendments which will give the farmers more money and will put them a little bit more on a basis of equality with the city people than they are at the present time.

I discussed this matter with my distinguished colleague from North Dakota [Mr. Young] and other Senators, and I rather think we shall get other Senators to join with us in the amendments.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I wish to ask the distinguished Senator from North Dakota a question. I am not sure that unanimous consent will be needed for the purpose I have in mind, because I am not sure how long the debate tomorrow may continue. But I ask the Senator this question: If a vote is had this evening on the Taft amendment, is it the intention of the Senator from North Dakota then to take the floor and be heard at length on an amendment or amendments for an increase in the appropriation for farm housing?

Mr. LANGER. Yes; tomorrow.

Mr. WHERRY. Mr. President, in view of that situation, I think the acting ma-



majority leader, the distinguished Senator from Pennsylvania [Mr. MYERS] should take into consideration the statement just made by the Senator from North Dakota; for under those circumstances, after the vote is had on the Taft amendment, I feel that the only wise thing to do will be to have the Senate take a recess until tomorrow.

Mr. MYERS. Then, Mr. President, I ask the distinguished Senator from North Dakota to permit us to vote on the Taft amendment, and then to move a recess.

Mr. LANGER. Yes; and incidentally I wish to call the attention of the distinguished Senator from Pennsylvania to the fact that in Pennsylvania the farmers are in much better condition in regard to the REA and similar matters, than are some of the farmers in other sections of the United States.

Mr. MYERS. I wish to say that in Pennsylvania we are in need of much more REA assistance, and we could use many more REA cooperatives in our State.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me?

Mr. LANGER. Yes, or I shall yield the floor.

Mr. JOHNSTON of South Carolina. Is it the purpose of the Senator from North Dakota to try, tomorrow, to increase the amount?

Mr. LANGER. Yes; we expect to offer amendments, tomorrow, to increase the amount.

Mr. JOHNSTON of South Carolina. In looking into this matter, has the Senator determined how many farms would be included under the million dollars?

Mr. LANGER. Yes; all those points have been checked. Not quite 2,000,000 farms would be included in this farm program. There are not quite 6,000,000 farmers, altogether—5,859,781, actually; but there are about 2,000,000 farms for which advantage of this provision should be taken.

Mr. JOHNSTON of South Carolina. Under the pending bill, with \$1,000,000, how many farmers would be cared for?

Mr. LANGER. As I said the other day, if all 2,000,000 applied, \$1,000,000 would give each farmer 50 cents.

Mr. JOHNSTON of South Carolina. And if a thousand farmers applied, there would be \$1,000 for each of them, would there not?

Mr. LANGER. That is correct.

Mr. JOHNSTON of South Carolina. In other words, in the State of North Dakota, on the basis of its population, about six farmers in the entire State would benefit.

Mr. LANGER. That is right. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. I ask the Senator if it is not correct that this afternoon we agreed to accept an amendment to increase this amount, and I may say, Mr. President, I have been on the same side with the Senator from North Dakota in regard to this matter.

Mr. LANGER. That is correct.

Mr. MAYBANK. That is why I have asked the question—to show that we

would accept the amendment, but now I understand that the Senator from North Dakota would prefer to prepare a new amendment.

Mr. LANGER. Yes; an amendment which the Senator from Georgia [Mr. RUSSELL] and perhaps other Senators can agree upon.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Ohio [Mr. TAFT].

Mr. WHERRY. Mr. President, let me ask the acting majority leader, the distinguished Senator from Pennsylvania, whether he feels that a quorum call should be had before the vote is taken on this amendment—although I do not ask for it.

Mr. MYERS. No, Mr. President; I believe all Senators are either in or near the Chamber, and therefore I think we do not need to have a quorum call.

Mr. President, on this amendment I ask for the yeas and nays.

Mr. WHERRY. Mr. President, before that matter is determined, let me say that I regret very much to feel compelled to state that I believe a quorum call should be had before the vote is taken on the Taft amendment. If the distinguished Senator from Pennsylvania will suggest the absence of a quorum, I shall be very glad to have that done. Otherwise, I myself shall feel compelled to suggest the absence of a quorum.

Mr. MYERS. Very well, Mr. President; I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Humphrey	Murray
Baldwin	Hunt	Myers
Brewster	Ives	Neely
Bricker	Jenner	O'Mahoney
Bridges	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Russell
Capehart	Kefauver	Saltonstall
Chapman	Kilgore	Schoeppel
Cordon	Knowland	Smith, N. J.
Donnell	Langer	Sparkman
Douglas	Lodge	Stennis
Eaton	Long	Taft
Ellender	McCarthy	Taylor
Ferguson	McClellan	Thomas, Okla.
Flanders	McFarland	Thomas, Utah
Frear	McKellar	Thye
Fulbright	McMahon	Tobey
Gurney	Magnuson	Vandenberg
Hayden	Malone	Watkins
Hendrickson	Martin	Wherry
Hickenlooper	Maybank	Williams
Hill	Millikin	Withers
Hoey	Morse	Young
Holland	Mundt	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the modified amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], the Senator from

Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate on official business.

The Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from Georgia [Mr. GEORGE].

If present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. MCGRATH], the Senator from Oklahoma [Mr. KERR], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Kansas [Mr. REED] are detained on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting, the Senator from Maine [Mrs. SMITH] would vote "yea."

The result was announced—yeas 30, nays 41, as follows:

#### YEAS—30

Baldwin	Flanders	Saltonstall
Brewster	Gurney	Schoeppel
Bricker	Hendrickson	Smith, N. J.
Bridges	Hickenlooper	Taft
Cain	Ives	Thye
Capehart	Knowland	Tobey
Cordon	Lodge	Vandenberg
Donnell	McCarthy	Watkins
Eaton	Martin	Williams
Ferguson	Millikin	Withers

#### NAYS—41

Anderson	Johnston, S. C.	Murray
Chapman	Kefauver	Myers
Douglas	Kilgore	Neely
Ellender	Langer	O'Mahoney
Frear	Long	Pepper
Fulbright	McClellan	Russell
Hayden	McFarland	Sparkman
Hill	McKellar	Stennis
Hoey	McMahon	Taylor
Holland	Magnuson	Thomas, Okla.
Humphrey	Malone	Thomas, Utah
Hunt	Maybank	Wherry
Jenner	Morse	Young
Johnson, Tex.	Mundt	

#### NOT VOTING—25

Aiken	Graham	O'Conor
Butler	Green	Reed
Byrd	Johnson, Colo.	Robertson
Chavez	Kem	Smith, Maine
Connally	Kerr	Tydings
Downey	Lucas	Wagner
Eastland	McCarran	Wiley
George	McGrath	
Gillette	Miller	

So Mr. TAFT's amendment was rejected.



Mr. LANGER. Mr. President, I offer the following amendment:

On page 67, line 11, change the figure "1" to "2", making it read "\$2,000,000" instead of "\$1,000,000."

In line 13, change the figure "2" to "5", making it read "\$5,000,000" instead of "\$2,500,000"; change the figure "4" to "8", making it read "\$8,000,000" instead of "\$4,000,000"; change the figure "5" to "10", making it read "\$10,000,000" instead of "\$5,000,000."

This raises the amount of grants from \$12,500,000 to \$25,000,000 over a period of 4 years.

The PRESIDING OFFICER. Does the Senator wish his amendments to be considered as one amendment?

Mr. LANGER. I do, Mr. President.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. I understand the Senator is increasing the grants to \$25,000,000. I should like to say, as chairman of the Committee on Banking and Currency, that I shall be glad to accept his amendment.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. TOBEY. The Senator, by his amendment, wishes to increase the appropriations to \$25,000,000; is that correct?

Mr. LANGER. Yes.

Mr. TOBEY. Does the Senator think the farmers want it?

Mr. LANGER. They do; they need it very badly.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendments offered by the Senator from North Dakota [Mr. LANGER], which will be considered en bloc. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND], and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from Georgia [Mr. GEORGE].

If present and voting the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate.

The Senator from Ohio [Mr. BRICKER] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Kansas [Mr. REED] are detained on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting the Senator from Maine [Mrs. SMITH] would vote "nay."

The result was announced—yeas 41, nays 28, as follows:

#### YEAS—41

Anderson	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	Neely
Donnell	Kefauver	O'Mahoney
Douglas	Langer	Pepper
Ellender	Long	Russell
Frear	McClellan	Sparkman
Fulbright	McFarland	Stennis
Hayden	McKellar	Taylor
Hill	McMahon	Thomas, Okla.
Hoey	Magnuson	Thomas, Utah
Holland	Malone	Thye
Humphrey	Maybank	Wherry
Hunt	Morse	Young
Jenner	Mundt	

#### NAYS—28

Baldwin	Hendrickson	Schoeppel
Brewster	Hickenlooper	Smith, N. J.
Bridges	Ives	Taft
Cain	Kilgore	Tobey
Capehart	Knowland	Vandenberg
Cordon	Lodge	Watkins
Ecton	McCarthy	Williams
Ferguson	Martin	Withers
Flanders	Millikin	
Gurney	Saltonstall	

#### NOT VOTING—27

Aiken	Gillette	Miller
Bricker	Graham	Murray
Butler	Green	O'Connor
Byrd	Johnson, Colo.	Reed
Chavez	Kem	Robertson
Connally	Kerr	Smith, Maine
Downey	Lucas	Tydings
Eastland	McCarran	Wagner
George	McGrath	Wiley

So Mr. LANGER's amendments were agreed to en bloc.

Mr. SPARKMAN. Mr. President, I have three technical amendments, or curative amendments, which I send to the desk and ask to have read, and I hope they may be agreed to.

The PRESIDING OFFICER. The clerk will state the amendments.

The CHIEF CLERK. On page 29, line 1, after the word project and preceding the comma, insert the words "initiated after the date of the approval of the Housing Act of 1949."

On page 29, in lines 4 and 5, strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

On page 29, in lines 14 and 15, strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

Mr. BRIDGES. Mr. President, since we have seen some rather strange manipulating around here lately, I think those amendments should be adopted individually, and that we should have yeas-and-nays votes on them, and an explanation in full from the sponsors. Having seen some of the manipulation which has gone on in this Chamber this evening, I think the sponsors of the bill should present to the Senate the reasons for these amendments.

The PRESIDING OFFICER. The clerk will report the first of the amendments.

The CHIEF CLERK. On page 29, line 1, after the word "project" and preceding the comma, it is proposed to insert the words "initiated after the date of the approval of the Housing Act of 1949."

Mr. SPARKMAN. Mr. President, I may say I did not refer to what is on the particular paper from which the clerk has read as being the three amendments. I referred to this as one amendment, because the three different changes really constitute one change. The change must be made in three different places.

All the amendment seeks to do is to remove the provision which limited veterans' preference in low-rent public housing to 5 years. In other words, in the language of the bill as it was presented to us it was provided that a veteran, in order to have preference—

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRIDGES. Did I correctly understand the Senator to say that it is to eliminate veterans' preferences in the bill?

Mr. SPARKMAN. No; it is to eliminate the provision which limited veterans' preferences to 5 years.

Mr. BRIDGES. This is a bill which has been considerably mixed up, and I think we should have it very clear what the Senator is intending by the amendment.

Mr. SPARKMAN. I shall be very glad to make it very clear.

The bill as it was originally introduced provided that a veteran, in order to get a preference in one of these projects, would have to file an application within 5 years. In other words, 5 years later there would be no veterans' preference whatsoever.

The very first witness before our committee was interrogated regarding that, namely, Mr. Egan, and I think Mr. Foley also said there was no real purpose in it, and they did not mind having it eliminated. The veterans' organizations asked to have it eliminated, and we assured them it would be eliminated in the course of the hearings, but through an oversight, when the bill was finally drafted it was included.

Mr. BRIDGES. On what page of the hearings does that testimony appear?

Mr. SPARKMAN. If the Senator will give me time to find it, I think I can.

Mr. BRIDGES. I should like to have it.

Mr. SPARKMAN. If the Senator from New Hampshire wants to wait until we find that particular testimony—



Mr. DOUGLAS. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. Is it not true that this amendment is urged by the American Legion?

Mr. SPARKMAN. It is urged by all the veterans' organizations who appeared before us.

Mr. DOUGLAS. By the Veterans of Foreign Wars?

Mr. SPARKMAN. That is correct.

Mr. DOUGLAS. And by the AMVETS?

Mr. SPARKMAN. That is correct.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRIDGES. I should like to have the page of the testimony. The contribution of the Senator from Illinois is entirely beside the question. What I want is the record. The Senator from Illinois has made many comments here today, and I think that when the RECORD is made, we will let it answer, so that in the months and years ahead we can refer to the RECORD.

Mr. SPARKMAN. If the able Senator from New Hampshire will follow me—

Mr. BRIDGES. On what page?

Mr. SPARKMAN. If he will take up a copy of the general housing legislation hearings on various bills which were pending before the Senate Committee on Banking and Currency, and look at page 180 of the hearings, down about the middle of the page, he will find that I asked Mr. Egan the question I shall read. I shall wait until the Senator finds the page.

Mr. BRIDGES. Very well.

Mr. SPARKMAN. I read:

Senator SPARKMAN. \* \* \* Now, Mr. Egan, I want to ask one question while I have it in mind.

Referring to page 24 of S. 138—

In order to make it perfectly clear to the Senator from New Hampshire, that is the bill that was before us, although when we reported a bill we reported a clean bill. The bill before us now is S. 1070. I read further:

Referring to page 24 of S. 138, lines 15 to 17, there is a limitation placed there on veterans' preference, to those applying within 5 years. My attention has been called to this by representatives of veterans' organizations. They state to me that in no other law dealing with veterans' preference are such words of limitation included, and they have suggested that there be eliminated from that sentence the words "where application for admission to such housing is made not later than 5 years after March 1, 1949."

Mr. EGAN. We have no objection to that elimination. The only reason it was put in was because the previous program had no requirements. We thought after 5 years we would get the whole program on one basis. We certainly have no objection to that elimination.

Mr. BRIDGES. Now, I should like to ask the Senator where the representatives of the veterans' organizations themselves asked in the hearings for the elimination of this provision.

Mr. SPARKMAN. If the Senator will bear with me for a few minutes, I shall do my best to find where the various representatives testified. I notice that John

Thomas Taylor, director of the national legislative commission of the American Legion, testified at page 661. I am not sure that he asked for the elimination, but it may be that the witness whom he presented did.

Mr. BRIDGES. Will the Senator read Mr. Taylor's testimony, and see if it is in it?

Mr. SPARKMAN. I am just looking over it to see if it is in it.

Perhaps it would suffice for the Senator from New Hampshire for me, instead of reading the testimony, to read a letter from the American Legion.

Mr. BRIDGES. I should be glad to hear the letter, but I should like to be referred to the testimony.

Mr. SPARKMAN. After we had reported the bill with this provision in it, although we had told them in the course of the hearings that it would be omitted, the American Legion wrote me a letter, as chairman of the subcommittee, calling my attention to the fact that we had not eliminated that language.

Mr. BRIDGES. I should like to hear the letter.

Mr. SPARKMAN. If the Senator from New Hampshire would like to hear the letter, I shall be very glad to read it, or place it in the RECORD.

Mr. BRIDGES. I should like to hear it read.

Mr. SPARKMAN. The letter is from the American Legion, national legislative commission, 1608 K Street NW., Washington 6, D. C. It is dated April 11, 1949, and is addressed to me. I read as follows:

DEAR SENATOR SPARKMAN: As one of the sponsors of S. 1070, you will be interested in knowing the American Legion most heartily endorses this legislation and urges the Senate to pass this bill when it is considered.

As a veterans' organization, we are of course interested in the benefits the bill will accord veterans. In our judgment, section 202 requires amendments in order that veterans of this country will receive adequate preference to the low-rent housing contemplated by the bill.

The American Legion does not quarrel with the principle that families displaced through slum clearance be given priority for rental opportunity in any low-rent housing developed in the particular locale in which the displacement occurs. It is opposed, however, to extending this priority to the degree contemplated by the present wording of section 202 of the bill.

If I may interpolate there I will say that he was wrong in his interpretation with reference to section 202, and I think we succeeded in convincing him of that fact.

But now here is the part that has to do with the veterans' preference:

This section also contains a proviso that a veteran's application must be made not later than 5 years after March 1, 1949. You will be the first to recognize that the veterans' housing problems will not be solved in the next 5 years. You will recognize that in this bill, as now written, an altogether new theory of veteran preference is being introduced. Never before, to our knowledge, has the Congress attempted to place a time limitation on the preference afforded veterans.

The American Legion most respectfully submits for your consideration corrective amendments which will, in our judgment, give the veteran a fair preference and one which we know you wish to give him. Your earnest consideration of these amendments

would be most appreciated, and if you agree with them, urge their adoption when S. 1070 is considered by the Senate.

We are calling this matter to the attention of the other sponsors of the bill in order that all may be acquainted with the position of the American Legion.

Sincerely yours,

ROBERT R. POSTON,  
Associate Director,  
National Legislative Commission.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes; I yield to the Senator from Washington.

Mr. CAIN. As a dues-paying member of the American Legion, as a member of the subcommittee of the Committee on Banking and Currency, of which the Senator from Alabama is the chairman, I will say that I do not recall that any promise was ever made by the subcommittee to any group of veterans during any hearings, that the restriction to which the Senator from Alabama has referred would be eliminated from the bill. I realize that my memory may be faulty, but I should like to have the Senator from Alabama refer us to the pages of the hearings where any such agreement was made with the American Legion or any other veterans' group.

Mr. SPARKMAN. Mr. President, I shall be very glad to continue to look for that particular matter. However, as I do, I wish to say most positively that I myself in open meeting of the subcommittee did make such a statement to the representatives who appeared before us representing some of the veterans' organizations. I am sure I shall be able to find it.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRIDGES. If the Senator is not able to find it, and we are legislating in the dark, as we apparently have been recently, perhaps the Senator would prefer that we recess so we can have time to study the matter tomorrow.

Mr. SPARKMAN. Mr. President, let me refer both the Senator from Washington and the Senator from New Hampshire to page 327 of the hearings, where Mr. Charles Foster, testifying for the Disabled American Veterans, raised the same question, and where I made this statement—

Mr. BRIDGES. Will the Senator from Alabama read what Mr. Foster had to say?

Mr. SPARKMAN. Yes, I shall be glad to read it:

Mr. FOSTER. I would like to comment briefly on several provisions of S. 138 which have a direct bearing on veterans' rights. These provisions are more or less similar to corresponding provisions in the other housing bills before this committee. Therefore, what is said with respect to S. 138 is meant to apply equally to the others.

Section 202 of title II of S. 138, beginning on page 24, provides for a veterans' preference. We feel that this preference should be strengthened by eliminating the phrase beginning on line 15 which reads: "where application for admission to such housing is made not later than 5 years after March 1, 1949."

The theory of a veterans' preference in determining tenant eligibility is recognized by Congress as just and equitable in view of the



service these men and women rendered their country.

Inasmuch as this theory of veterans' preference has been established in other acts of Congress, we see no valid reason to limit the preference to a period of 5 years after March 1949. At this time no one knows what conditions will prevail with respect to housing in 1954 and in the following years. The situation at that time may be as acute as it is today. We therefore recommend that this time limitation on veterans' preference be eliminated.

This is my reply, Mr. President:

Senator SPARKMAN. Mr. Foster, if I may break in there, you may be interested to know we have already raised that question with the housing officials, and have been assured by them they have no objection to the elimination of that time limitation.

Then Mr. Foster said—

Mr. BRIDGES. Will the Senator explain to the Senate why the subcommittee did not do so then? The chairman of the subcommittee had assured the veterans that it would be done.

Mr. SPARKMAN. Mr. President, I stated a moment ago that when the bill was drafted by the subcommittee, through a typographical error the words were omitted.

Mr. President, I now decline to yield further. I submit the amendment, and let whoever pleases to do so, oppose it.

Mr. BRIDGES. Mr. President, who has the floor? Do I have the floor?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from New Hampshire now has the floor.

Mr. BRIDGES. That is what I thought. I should like a further explanation from the Senator from Alabama if he will give it. I should like to hear him read from the statements of other veterans' organizations. The American Legion apparently made no statement in the record at all. The Senator brought out the position of the Legion in an individual letter. The Senator has referred to one veterans' organization. What about the other veterans' organizations?

Mr. SPARKMAN. Mr. President, in answer to the Senator's question, which I really have no right to answer under the parliamentary rules of the Senate, since the Senator from New Hampshire has no right to ask me a question, he having the floor—I wish to say this: I have cited at least two instances in the printed record where we have stated that the language would be eliminated. I have stated that it was inadvertently included in the bill when the final draft was made, but that we agreed to eliminate the language on the Senate floor. I have offered the amendment, Mr. President, to bring that about. We are keeping faith with the veterans' organizations which appeared before our committee. I do not care to debate the question further, but I should like to see it submitted for a vote. So far as I am concerned, Mr. President, I shall be very glad to have a yea and nay vote on the question.

Mr. BRIDGES. Mr. President, my only reason for raising this point is that so many things have happened here in recent moments in the discussion of the housing legislation that I think it is well from now on, if amendments are offered,

that we go into them and find out all the facts concerning them. The Senator from Alabama may very well be correct, or may very well be wrong in respect to this matter. I think Senators should no longer continue to legislate in the dark. I believe we should have all the facts at hand before taking action. We have decided to spend the evening here, and we might as well go into these amendments. If there are going to be any more deals made or any more things arranged here, we might as well have a full explanation of the amendments.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I wish to thank the Senator from Alabama for his explanation. I think so far as he has gone the explanation has been rather clear. But I think that with respect to the various amendments it is well that we look into them before acting upon them. I am perfectly willing to let the question on the pending amendment go to a vote.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Louisiana?

Mr. BRIDGES. I yield.

Mr. LONG. I should like to ask the Senator whether he finds anything wrong with the amendment? I certainly see nothing the matter with it. I do not believe the Senator from New Hampshire himself will find anything the matter with it. In view of the fact that there is nothing the matter with this amendment, but if something wrong has been done here tonight, why does not the Senator address himself to that which is wrong, rather than to something which is obviously all right?

Mr. BRIDGES. Mr. President, in view of what has gone on here tonight, I shall ask for an explanation of everything that is proposed by way of amendment. The Senator from Alabama, who has handled the bill in a very able manner, has endeavored to explain the amendment. I want him, however, to be given the opportunity to explain the amendment in full.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. CAIN. Mr. President, I wish to speak very briefly on this amendment. I wish to speak as a veteran and as a member of the subcommittee of which the Senator from Alabama was the chairman. Though the Senator from Alabama may be correct in his recollection of an understanding which was reached between the subcommittee and various veterans' organizations, I have no such recollection. I should like to indicate that from my point of view as a veteran I am opposed to this amendment, which seeks to guarantee preferential rights to the American veteran 10 years after the last war was concluded. As I understand the provision now in the bill, it is that any American veteran of World War II shall have a priority right to occupancy in a federally subsidized housing unit if he applies for admission within 5 years from 1949. I think that is long enough

for the average American veteran. I am simply one of that class. I feel that if after 1954 the individual who has been a veteran of the last war is possessed of a low annual income he ought to have his right to seek admission into one of these Federal projects, just as any other American citizen. But I deny the validity of any contention that the American veteran wants to have preferential rights for housing 10 years after the war, in which he only did his duty, is over and done with.

Though I may find myself in opposition to some of the leaders of veterans' organizations throughout the country, I am completely satisfied that the average American veteran is not going to ask his Government to protect him in a Federal housing project 10 years after the war is over. I think that expression will be subscribed to by the rank and file of veterans, by the hundreds of thousands throughout this land, who ask not for a preferential right in a Federal housing project, but only for the right to make a living for themselves and their families.

For that reason, I oppose the amendment.

Mr. FLANDERS. Mr. President, I should like to inquire of the Senator from Alabama if I am correct in understanding that this amendment would give preference in perpetuity.

Mr. SPARKMAN. Yes; it would. At least it would lift the restriction.

Mr. FLANDERS. I should like further to ask why, if the principle is established of giving this right in perpetuity, the veterans of World War I are discriminated against. The same principle which gives this right in perpetuity to the veterans of World War II should establish the same right in perpetuity for the veterans of World War I.

Mr. SPARKMAN. Mr. President, the reason for giving the preference to veterans of World War II rather than veterans of World War I is that there are hundreds of thousands of veterans of World War II who have not yet been able to find a place to live. There is much more maladjustment among veterans of World War II than among veterans of World War I. It is characteristic of all our legislation of the past several years that it contains such a preferential provision. In practically every bill which is passed the same kind of priority is established. Practically every one of those measures has carried similar veterans' preference, limited in recent years in almost every case to the veterans of World War II. So far as I now recall, every such piece of legislation has been without limitation.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. RUSSELL. I heard the distinguished Senator from Vermont [Mr. FLANDERS] say that this right would be granted in perpetuity. I am sure that the Senator from Alabama recognizes that the present Congress or any succeeding Congress could change the statute whenever it saw fit.

Mr. SPARKMAN. That is true. I think a better way of stating it would



be to say that it is without limitation. We simply eliminate the limitation in the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I have attempted to cooperate in every way to get this bill through to final passage tonight. I believe the Senator knows that, and I am satisfied that the acting majority leader knows it.

Mr. SPARKMAN. That is true; and I appreciate the attitude of the minority leader.

Mr. WHERRY. A question has arisen which should be completely clarified before the bill is passed. While I am willing to stay here as long as necessary, I think the only sensible thing to do is to take a recess until tomorrow and give the subcommittee time to iron out the difficulty and clarify this question, so that there will be no trouble about it. I offer that as a constructive suggestion.

Mr. SPARKMAN. Mr. President, I am willing to assume responsibility for the amendment myself, without having to iron it out among members of the subcommittee. Any Member of the Senate may offer an amendment any time he so desires.

Mr. WHERRY. I understand.

Mr. SPARKMAN. I have sent the amendment to the desk under my own name. However, I did make the statement that in the course of the hearings we stated repeatedly that the limitation would be lifted. We told the veterans' representatives that it would be lifted. Mr. Egan, the Commissioner of Public Housing, said that there was no objection to it. We never assumed that we would run into this opposition. I never dreamed that a single Member of this body would oppose giving preference to the veterans of World War II, just as we have done in every other measure we have passed, including the rent-control measure. There is a veterans' housing provision in the rent-control measure. There is a similar provision in the legislation relating to jobs in the Government. Such a provision appears in almost every type of legislation we have passed. We have written into it the same kind of veterans' preference. That is all we are trying to do.

Mr. President, I assume full responsibility for the amendment.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. I yield.

Mr. WHERRY. I thank the Senator for his observations. No doubt this amendment would accomplish what he is attempting to do, that is, fulfill the promises which were made to whomever they were made. But I submit to the distinguished Senator that an important question has been raised by the Senator from Vermont [Mr. FLANDERS] with respect to discrimination against veterans of World War I. It seems to me that two or three suggestions have been made which ought to receive consideration. If we want to legislate on the floor of the Senate, of course we have the right to do so. I simply offer my suggestion as a constructive way to iron out this amendment so that there will be no mistake.

Mr. SPARKMAN. I appreciate that; but I should like to make this suggestion to Members of the Senate: I suggest that they turn to pages 28 and 29 of the bill and read the section headed "Veterans' Preferences."

In the first place, the first preference given in one of these public projects is to families who have been displaced. The veterans' preference is a secondary preference. They do not have the first priority. We have not given the veterans first place. I will say in all fairness to them that they did not ask for it. They felt that displaced families ought to have first priority, and we gave it to them.

Mr. President, I submit that the amendment is perfectly good, and I am ready to vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. MCCARTHY. Mr. President, let me say first that I have been previously committed to vote for the amendment which the Senator has offered, upon the request of the American Legion, Department of Wisconsin. I think it is a proper amendment.

However, in view of the fact that it extends the preference for 45 years, that means until the veteran of today is 85 or 90 years of age. World War I veterans are now approximately 55 or 60 years of age, within the ages within which we are giving preference to World War II veterans. Would the Senator from Alabama consider a change in his amendment to include veterans of World War I as well as veterans of World War II? Otherwise, it seems to me that this is very unfair discrimination against the veterans of World War I. If this amendment provided only a 5-year preference—

The PRESIDING OFFICER. The Senate will be in order; there is too much confusion on the floor of the Senate. Senators will take their seats. The Senator from Wisconsin will not proceed until the Senate is in order.

Mr. CAPEHART. Mr. President, I am sure the Senator from Wisconsin will be very happy to correct the statement he just made about World War I veterans being 55 or 60 years of age. I happen to be a veteran of World War I, and I am only 51. I do not wish to be considered any older than I am, let me say.

The PRESIDING OFFICER. The Senator from Wisconsin will not proceed until the Senate is in order and Senators take their seats. [A pause.] The Senator may proceed now.

Mr. MCCARTHY. I thank the Chair.

Mr. President, in answer to the Senator from Indiana, let me say that what I meant was that some of the more elderly veterans of World War I are now 55 or 60 years of age; and I am very much concerned about this matter, in view of their situation. If we were proposing to grant only a 5-year preference to the veterans of World War II, that would not be an unfair discrimination against the veterans of World War I. But now that we have adopted a policy of giving a 45-year preference to World War II veterans—I believe that is what we have decided upon—it seems to me

we should include the veterans of World War I, in view of the fact that much less than 45 years have elapsed since the end of World War I.

So I wonder whether the Senator from Alabama will consent to modify his amendment so as to include the veterans of World War I, as well as the veterans of World War II.

Mr. SPARKMAN. Let me say that as I understand the opposition which has arisen to the amendment, it has not developed because the veterans of World War I are not included under it, but because of our attempt to give a preference to any veterans.

I say to my good friend, the Senator from Wisconsin, that I am not willing to do anything on this matter until we obtain some kind of acceptance of a veterans' preference. What I am fighting for is a veterans' preference. After we have disposed of the opposition to giving some kind of preference in this bill to veterans, then I think we can well take up the question of including the veterans of World War I.

Mr. MCCARTHY. Let me say to the Senator from Alabama that when he refers to opposition to giving a preference to veterans, I do not oppose giving them a preference. I have just stated to the Senator that I will vote for his amendment. I do not care whether he wishes to have it provide for a 45-year preference or a 60-year preference or an 80-year preference; I will still vote for it.

Mr. SPARKMAN. Mr. President, I wish to make clear to the Senator, if he will yield further, that I understood he would vote for the amendment; but certainly he is not blind and he is not deaf. He has seen the opposition we have encountered in trying to provide some kind of preference for veterans, and he has heard the captious criticism which has been directed to the simple amendment which seeks to do only simple, fundamental justice to the veterans of the recent war. I say that opposition must be disposed of before we can handle the request the Senator from Wisconsin has made.

Mr. MCCARTHY. Mr. President, let me ask the Senator from Alabama to consent to modify his amendment in the way I have suggested. Of course, I cannot dispose of opposition to the veterans' preference provision, and neither can he. We shall dispose of such opposition by bringing the amendment to a vote. Practically every matter which comes before the Senate encounters opposition of some sort. The Senator from Alabama is offering an amendment which I favor. It provides for a 45-year veterans' preference. If the Senator wishes to change the amendment so as to have it provide for a 60-year or 75-year veterans' preference, I shall still favor it. However, inasmuch as the amendment now provides for a 45-year preference for veterans of World War II, it obviously is only honest and fair to change it so as to provide the same preference for veterans of World War I.

I assume that after the amendment is changed in that way, there still will be opposition to it. I shall be surprised if the Senator from Alabama or myself ever propose anything on the floor of



the Senate which does not encounter some honest, sincere, and intelligent opposition.

So I ask the Senator very sincerely to extend to the veterans of World War I the same right which he and I think should be extended to the veterans of World War II.

Mr. SPARKMAN. Mr. President, if the Senator from Wisconsin will yield further, let me say in answer to his question that I appreciate his sincerity and his offer to help; but, Mr. President, goodness knows, if Senators are going to oppose a preference for World War II veterans, when the boys are still coming out of the armed services, and many of them are getting married, and many of them are trying to find places in which they and their families can live, but are having extreme difficulty because of the crowded conditions and the lack of adequate housing, then I am afraid that if we amend the amendment so as to include World War I veterans, we shall invite still greater opposition.

So I think we should dispose of this amendment as it is, before we seek to add to it other veterans—not only the veterans of the First World War, but perhaps the veterans of all wars.

Mr. MCCARTHY. Then, Mr. President, I understand that the Senator from Alabama will not consent to change or modify his amendment so as to have it include the veterans of World War I. Of course, I shall not ask him to broaden the amendment still further and have it include the Spanish-American War veterans, but I simply ask him to have the amendment include the veterans of World War I, in view of the length of the proposed preference.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. Is the amendment suggested by the Senator from Wisconsin in order to the amendment sent to the desk by the Senator from Alabama?

The PRESIDING OFFICER. The amendment submitted by the Senator from Alabama is open to amendment, and is subject to the amendment proposed to it by the Senator from Wisconsin or to any other amendment which may be proposed to it.

Mr. MCCARTHY. Mr. President, I move that the amendment of the Senator from Alabama be so amended.

Mr. SPARKMAN. Mr. President, may I be heard on that matter?

Mr. MCCARTHY. Mr. President, I shall be glad to yield to the Senator from Alabama for a question; or, if he does not wish to ask a question, then I shall be glad to yield, upon condition that unanimous consent is given that the Senator from Alabama may make a statement at this time without causing me to lose the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Wisconsin? The Chair hears none. Without objection, it is so ordered; and the Senator from Alabama may proceed.

Mr. SPARKMAN. Mr. President, I should like to call attention to the fact

that if the Senator from Wisconsin wishes to submit his amendment, it would properly be submitted to subsection (b) in line 21 on page 29, and not to the amendment I have submitted.

The PRESIDING OFFICER. The Chair rules, upon the advice of the Parliamentarian, that the amendment proposed by the Senator from Alabama is open to amendment, and therefore is subject to amendment if any be offered to it by any Senator.

Mr. MCCARTHY. Mr. President, I now move that the following language be inserted on page 29 in line—

The PRESIDING OFFICER. The Chair must rule that the amendment the Senator from Wisconsin is proposing would not be in order at this time, because it seeks to amend a different portion of the bill from that proposed to be amended by the amendment of the Senator from Alabama.

Mr. MCCARTHY. Then, Mr. President, I wonder whether I may have the indulgence of the Chair until I can read the amendment of the Senator from Alabama.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield the floor?

Mr. MCCARTHY. No; I do not.

Mr. SPARKMAN. Mr. President, will the Senator from Wisconsin yield to me for a question?

Mr. MCCARTHY. Very well; I yield for a question.

Mr. SPARKMAN. Is not the Senator from Wisconsin of the opinion that his amendment would properly be offered in line 21 on page 29, where the term "veteran" is defined?

Mr. MCCARTHY. I am inclined to think the Senator from Alabama is correct, Mr. President. I think the proper method for me to adopt is, not to attempt to amend the amendment of the Senator from Alabama, but, rather, to make the necessary amendments on pages 29 and 30.

For that reason, Mr. President, I shall offer such an amendment now, in view of the fact that it is along identical lines with the amendment of the Senator from Alabama.

The PRESIDING OFFICER. The Chair must rule as to that—

Mr. MCCARTHY. Mr. President, I ask the Chair to permit me to complete the statement of my request: At this time I should like to offer the amendment; and I ask unanimous consent that my amendment may be considered en bloc with the amendment of the Senator from Alabama, in view of the fact that both the amendments concern the identical subject. I certainly hope the Senator from Alabama will not oppose this move to give the veterans of World War I such a preference.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. MCCARTHY. I yield.

Mr. SPARKMAN. Will the Senator be pleased to know that I certainly shall not oppose it? I believe, however, the other amendment should be disposed of first.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MCCARTHY. I yield to the Senator from Michigan.

Mr. FERGUSON. I should like the Senator to point out the language which he claims limits the application of the bill to World War II veterans.

Mr. MCCARTHY. I call the Senator's attention to the language at the bottom of page 29.

Mr. FERGUSON. Is that under "Definitions"?

Mr. MCCARTHY. I refer to lines 23 and 24, the dates of service, which I believe contain the limitation; and again, on page 30. The amendment which I would offer would add two additional dates, on pages 29 and 30. With the indulgence of the Chair, I should like to offer that amendment and renew my request for unanimous consent to have the amendments considered en bloc.

The PRESIDING OFFICER. The Chair will have to rule that the amendment is out of order. But the Chair is willing to put a unanimous-consent request as to whether the Senator from Wisconsin shall be permitted to offer his amendment and to attach it to the amendment offered by the Senator from Alabama, so that the two may be jointly considered. Is that the request?

Mr. MCCARTHY. That is the request.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Wisconsin will state the amendment.

Mr. MCCARTHY. I propose that the following language be inserted on page 29, line 24, after "1947", namely, "and from April 6, 1917, to November 11, 1918", and that the same language be inserted on page 30, in line 4, after "1947."

Mr. BRIDGES rose.

Mr. MCCARTHY. I shall be glad to yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, the distinguished Senator from Alabama made the statement that there was opposition on the part of Senators to veterans' preferences. Of course, he knows that is not correct. He has stated that this preference was granted in perpetuity, but he admitted there was no danger in that, because succeeding Congresses could change what a previous Congress had done, so that if the 5-year limitation is included, the Congress, 2 years from today, or 4 years from today, could increase it 5 years or 10 years. There has been no opposition to granting veterans' preferences here.

I believe the Senator from Wisconsin has really suggested an equitable thing when he proposes that all veterans be treated alike. I think this discussion has borne some fruit, if the result shall be that one great body of veterans shall not have to bear a cross. I think it is wise that we discuss these amendments rather than allow them to slide through in the dark as some of them have done in the past. I am very happy to see the distinguished Senator from Wisconsin bring to the attention of the Senate the fact that one great body of veterans was about to be discriminated against. In the amendment proposed by the Senator from Alabama he entirely lost sight of



millions of veterans in this country. I think the Senator from Wisconsin is to be congratulated for the very able stand he has taken.

Mr. MCCARTHY. I may say, if the Senator continues in the same vein, I perhaps shall add another amendment, to include the Spanish-American War veterans.

Mr. President, I fear I am forced to restate the amendment. I believe it is not technically correct. It provides, instead of the language I mentioned, in line 24, on page 29, after "1947," the insertion of the words "at any time on or after April 6, 1917, and prior to November 11, 1918," and to strike the suggested change on page 30, which will be unnecessary in order to accomplish the purpose which the Senator from Alabama and I have in mind. With that, I yield the floor.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. If the Senator will permit the Chair to state the parliamentary situation as he understands it, the Senator from Alabama offered what amounted to one amendment, though it was in three parts. Objection was made to the consideration of it as a single amendment. Is that objection now withdrawn?

Mr. BRIDGES. I withdraw it. It is my understanding that the McCarthy amendment to the amendment proposed by the Senator from Alabama is now under consideration.

The PRESIDING OFFICER. The Chair understands then that the three amendments, which really constitute a single amendment, as offered by the Senator from Alabama, is now under consideration jointly with several individual amendments which constitute a single amendment offered by the Senator from Wisconsin. The question is now upon agreeing to the joint amendments as offered, and as consented to be offered, by unanimous consent, jointly.

Mr. BRIDGES. Mr. President, may the clerk read the amendments on which we are about to vote? We do not want anything else to take place here that we do not all understand.

The PRESIDING OFFICER. The Chair was going to suggest that the clerk read first the three separate amendments, which constitute a single amendment, as offered by the Senator from Alabama, and then read the similar several suggestions, which constitute a single additional amendment, as offered by the Senator from Wisconsin; and then the Senate will know what it is considering jointly, under the unanimous-consent agreement already made.

Mr. BREWSTER. Mr. President, I thought it was very clear that the unanimous consent was to the offering of an amendment to the first Sparkman amendment. That was the only unanimous-consent request I heard. The pending question, as I understood, was on the McCarthy amendment to the Sparkman amendment.

The PRESIDING OFFICER. If the Senator will allow the Chair to make clear the situation, there are other Sparkman amendments as the Chair

understands, which are to come later. But there were three separate segments of the first Sparkman amendment, and they are now being considered together as one amendment, and they necessarily constitute a single amendment.

Mr. BREWSTER. I thought that was the point to which objection was originally made.

The PRESIDING OFFICER. The Chair understands the Senator from New Hampshire, who had first raised the objection, to have withdrawn the objection.

Mr. BRIDGES. Mr. President, I withdraw the objection to the consideration of the first amendment, as modified by the McCarthy amendment.

The PRESIDING OFFICER. That is the understanding of the Chair. The Chair now asks the clerk to state the first Sparkman amendment, in three parts.

The CHIEF CLERK. On page 29, in line 1, after the word "project" and preceding the comma, it is proposed to insert the words "initiated after the date of the approval of the Housing Act of 1949"—

Mr. NEELY. Mr. President, Republican opposition will apparently prevent the final vote on this bill tonight, so 3 or 4 minutes of observations will not do any great amount of harm. We have just witnessed an extraordinary spectacle.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will the Senator desist a moment, until the clerk can complete the reading of the amendment; after which the Chair will immediately recognize the Senator from West Virginia.

Mr. NEELY. It will not hurt to wait a while longer. I have been waiting to obtain recognition for an hour, and I shall wait another hour if necessary. I want to speak before the Senate votes on the amendment.

The PRESIDING OFFICER. The clerk will continue the reading of the amendment.

The CHIEF CLERK. On page 29, in lines 4, 5, and 6, it is proposed to strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

On page 29, in lines 14 and 15, it is proposed to strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

On page 29, line 24, after "1947", it is proposed to insert the words "and at any time on or after April 6, 1917, and prior to November 11, 1918."

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. NEELY. Mr. President, the Republican side of the aisle has just demonstrated the fact that it can change its leadership as quickly as a chameleon can change its color. Only an hour ago the eminent Senator from Ohio [Mr. TAFT] was the dominant Republican of the Senate. Only last week the Christian Science Monitor, in a front-page article, informed the world that the influence of the Senator from Ohio was greater than that of any other Member of the Congress. But a new leader of the Republican minority has just ascended the

throne. Tomorrow the Republican membership can sing, subject to slight amendments, those well-known lines from Casey Jones—

Go to bed children, and hush your cryin',  
For you've got another papa on the Salt Lake Line.

The name of the new papa is Senator WILLIAM LANGER, of North Dakota.

I digress to invite the Democrats of the Senate to join me in rejoicing over the defeat of the Taft amendment, designed to deprive the farmers of the Nation of \$12,500,000 more or less which the bill proposed for the benefit of those engaged in agriculture. I congratulate the Democrats on having voted almost unanimously against the amendment.

The farmers, who are the salt of the earth, deserve all and more than the bill promised them. The farmers also deserve much from the Democratic Party for having generously helped to elect Harry Truman President of the United States and also for having greatly helped to make both the Senate and the House of Representatives Democratic. Democrats owed it to themselves to defeat the antifarmer amendment offered by the distinguished Senator from Ohio [Mr. TAFT]. If it had been adopted, the Senator undoubtedly could not have been nominated for President by the Republicans in 1952. He once deprived himself of the presidential nomination by sponsoring the Senate version of the Taft-Hartley law. If he had attached his name to the pending bill as a result of the adoption of his amendment, the farmers would have unanimously refused to support his candidacy for office in the future. It would be unfortunate for the Democratic Party for the Senator not to be nominated for President by the Republicans in 1952.

Mr. President, for still another reason I am glad that the Taft amendment was defeated. If it had prevailed, in my opinion, every agricultural State in the Union would have gone Democratic in the next election. If that had happened, the Republican Party would have died, and in the present unsettled condition of the world, the American people have no time to spare to bury all the members of the Republican Party.

So I rejoice that the Democratic Members of the Senate have here tonight saved the farmers from injuries the Republican Party from annihilation and incidentally served themselves. I congratulate the new Republican leader [Mr. LANGER] who is always on the side of the people. I congratulate him for having helped to save the Republican Party from the death wound which the Taft amendment, if it had been adopted, would have inflicted.

We need two political parties in the United States. The Democrats and a few Republican liberals have just rescued one of them from oblivion. The rescued party will provide sufficient opposition to impel every Democratic Member of the Congress to continue to render the best possible service to the American people.

The Republican Members under their new captain are cordially invited to



march with us to new heights and to a new and better day.

Mr. CAPEHART. Mr. President, I want to make an observation in answer to the able Senator from West Virginia. He made quite a speech, and of course we appreciate his interest in the Republican Party. But if I remember correctly, the bill was intended to give the farmers only \$1,000,000. The able Senator from West Virginia thinks the Democratic Party can buy the American farmers for \$1,000,000. There are approximately 13,000,000 farmers in the United States, and the great and able Senator from West Virginia rises and damns the Republican Party and says it is going to be buried and that it will lose all the votes of the farmers of America.

The Democratic Party offers the farmers \$1,000,000. Think of that, Mr. President. They offer \$1,000,000 to 13,000,000 farmers. That is 6 cents apiece. That is the record of the Democratic Party about which the able Senator from West Virginia has spoken. Six cents for each American farmer provoked the great speech which the Senator made a moment ago, in which he told us how the Democrats will save the American farmers by giving them 6 cents apiece, and that the Republican Party will be buried. That comes right after the Senate, a few days ago, voted \$5,580,000,000 for the people of Europe. The same party to which the able Senator from West Virginia belongs offers the American farmers 6 cents apiece. I do not know how much they gave the farmers of France and England and of the other 16 ECA nations. I suspect, if the figures were broken down, the amount would run into a billion dollars.

Mr. President, it just does not make sense. It is politics. That is all it is; pure politics. If the party of the able Senator from West Virginia were sincere about helping the American farmers, they certainly would not have attempted to do it with a million dollars.

Let me tell the Senate what they are interested in. They are interested in the committee of three in each of the counties, at \$5 a day. They are interested in permitting the Secretary of Agriculture to prescribe the rules and regulations governing the architecture of the farm buildings, plus traveling expenses, and plus all sorts of other expenses. That is the thing in which the able Senator from West Virginia is interested. He is not interested in the farmers, because had he been interested in the farmers, he would have offered them more than 6 cents each. It is my personal opinion that under the bill as it is written, if the Secretary of Agriculture follows all the commands which are written into the bill—that is, to study economy on the farm, to study the architecture on the farm, to do all the things the bill calls for—he will be spending more than a million dollars for that purpose alone.

Think of that, three people in every county, at \$5 a day, plus all the other people. They are going to make plans for these farm buildings, at \$5 a day, plus expenses. The cost will run consid-

erably over a million dollars. They are going to give the farmers a million dollars; they are going to spend another million or two or three or four or five million to work out plans for the farms. That is the thing which interests the able Senator from West Virginia. That is the thing which has always interested the able Senator from West Virginia—the political aspect of this matter.

I am ashamed of the United States Senate, that they would offer the American farmer only a million dollars. It is a disgrace. I should think the American farmer would resent it. I am a farmer. I feel bad; honestly I do. You are just not treating us right when you give us only a million, and give foreigners \$5,580,000,000.

In the rest of the housing bill there are other provisions, and I should like to say something on that subject. The bill I hold in my hand will cost the American taxpayer \$22,000,000,000. Out of the \$22,000,000,000, over a period of 5 years, you are going to give the American farmer \$12,500,000; or you were until the able Senator from North Dakota rose here tonight and said that if you did not do something he was going to talk all night and keep the Senate in session. Then everybody rushed over here and made a deal with him, and you spent \$12,500,000 of the American taxpayers' money in order that the able Senator from North Dakota would not talk all night. [Laughter.] That is what has happened.

Mr. President, I am not criticizing the able Senator from North Dakota. He got what he wanted, and he got it by threatening to make the Senate stay in session all night, or refusing to permit a recess, so that this bill could not be passed tonight. It cost \$12,500,000.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. I spoke to the senior Senator from North Dakota long before he threatened to talk all night, and long before he even offered his amendment, believing, as he did, that it was correct. Two nights ago I told him, as the Record will show, that he was correct. So I think the Senator from Indiana is manifestly unfair in making this wild charge in the United States Senate.

Mr. TAFT. Mr. President, we all saw the deal made here on the Senate floor. There is no question that the committee bought off the filibuster of the senior Senator from North Dakota by agreeing to increase the appropriation \$12,500,000. There is no doubt about it. We saw the thing done on the floor.

Mr. CAPEHART. Mr. President, I have the floor. [Laughter.]

The PRESIDING OFFICER. The Senator from Indiana has the floor. The Chair will not permit the Senator from Indiana to yield further except for a question.

Mr. MAYBANK. Mr. President, a point of order. One of the distinguished Republicans—

Mr. TAFT. Mr. President, a point of order.

Mr. CAPEHART. Mr. President, I refuse to yield.

The PRESIDING OFFICER. The Senator refuses to yield for a point of order. The Senator from Indiana.

Mr. CAPEHART. Mr. President, I am not certain what happened. I saw them writing it out. I think Senators can read the record of what was said. If I remember correctly, the able Senator from South Carolina, who is chairman of the Senate Committee on Banking and Currency, said he would accept the amendment of the Senator from North Dakota. I do not know what happened, but I do know, Mr. President—

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield for a question.

Mr. MAYBANK. Will the Senator be good enough to read the CONGRESSIONAL RECORD of two evenings ago, and read the discussion with the Senator from North Dakota?

Mr. CAPEHART. I shall be very happy to read it tonight or tomorrow morning.

Mr. MAYBANK. If the Senator has not read it, he should read it.

Mr. CAPEHART. I did not intend to speak or delay the Senate, but I felt that someone should answer the able Senator from West Virginia.

Mr. NEELY. Mr. President, will the able Senator yield?

Mr. CAPEHART. I am very glad to yield.

Mr. NEELY. Does the Senator include the distinguished minority leader, Mr. WHERRY, of Nebraska, with those who helped to buy off the Senator from North Dakota?

Mr. CAPEHART. Mr. President, no one said that anybody bought off anybody at all.

Mr. WHERRY. Mr. President—

Mr. CAPEHART. I did not say that, and nobody else said it. What I said was, and I shall repeat it, and I think it was perfectly clear to everybody in the gallery, to everyone on the floor, that the United States Senate here tonight, under some sort of condition or situation, when there was a lot of buzzing going on, voted \$12,500,000 of the American taxpayers' money—that is all, \$12,500,000—without any consideration, without any debate. Then the able Senator from West Virginia got the floor and proceeded to condemn the Republican Party to the grave, and claimed that the Democratic Party would get the farmers' votes because they were going to give them a million dollars, about 6 cents apiece.

Mr. NEELY. Will the Senator yield for another question?

Mr. WHERRY. Mr. President—

Mr. CAPEHART. I yield to the able Senator for a question.

Mr. WHERRY. Was the Senator on the floor—

Mr. NEELY. I should like to call the Senator's attention to the fact—

Mr. CAPEHART. I first yield to the able Senator from Nebraska. Then I shall yield to the able Senator from West Virginia.

Mr. WHERRY. Will the able Senator from Indiana answer me whether he did not hear the remarks made by the minority leader asking the distinguished



acting majority leader, in view of the fact that the Senator from North Dakota had made the statement that he expected to talk at length on his amendment, if he would permit a vote on the Taft amendment, and the Senate would then recess until tomorrow for further consideration and deliberation? Did he hear that on the floor of the Senate?

Mr. CAPEHART. Yes.

Mr. WHERRY. Mr. President, I am of the opinion that that should be carried out. I do not care to assume the leadership of the United States Senate, but if the Senator will yield, I now make a motion that the Senate recess until tomorrow at noon.

Mr. CAPEHART. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Indiana yield for that purpose?

Mr. CAPEHART. I yield to the Senator for the purpose of making a motion to recess.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska for that purpose. The motion is for a recess until tomorrow at 12 o'clock? The Chair was advised that the distinguished acting majority leader had a sad announcement to make.

Mr. WHERRY. I am glad to withhold the motion for that purpose.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. MYERS. Since the Senator has withheld the motion, do I have the floor?

Mr. WHERRY. Yes.

Mr. MYERS. I understand there are no further amendments pending, with the exception of one noncontroversial amendment which has been offered by the chairman of the subcommittee.

Mr. HICKENLOOPER. Mr. President, a point of order. The motion is not debatable.

Mr. MYERS. The Senator from Nebraska withheld his motion, and I have the floor.

Mr. HICKENLOOPER. To make a sad announcement.

The PRESIDING OFFICER. Will the Senate indulge the Chair a moment? The point of order is not correctly made. The Senator from Nebraska withheld his motion that the Senate recess, until an announcement could be made by the acting majority leader.

Mr. HICKENLOOPER. Mr. President, the statement was made that the acting majority leader was about to make a sad announcement. Thereafter he indulged in an argument on the motion to recess. I made the point of order that the motion to recess was not debatable.

Mr. MYERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MYERS. I inquire who has the floor.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. WHERRY] had the floor.

Mr. WHERRY. Yes, Mr. President, I have the floor, and I yielded to the Senator from Pennsylvania for the purpose of making an announcement. I want to

be absolutely fair about this matter. I think we should cooperate. Three times on the floor tonight I have asked that the Senate carry out the suggestion which was made prior to this motion. I believe the announcement should be made at this time, and that the Senate should then recess until tomorrow. I hope the motion to recess will prevail.

Mr. MORSE. Mr. President, I ask for the yeas and nays on the motion to recess.

The PRESIDING OFFICER. The Chair understands that the Senator from Nebraska has withheld his motion so the Senator from Pennsylvania [Mr. MYERS] can make an announcement.

Mr. WHERRY. That is true, Mr. President.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized to make an announcement.

DEATH OF REPRESENTATIVE ROBERT LEWIS COFFEY, JR., OF PENNSYLVANIA

Mr. MYERS. Mr. President, I had proposed earlier to rise on the floor of the Senate with the sad responsibility of informing the Senate officially of the death yesterday of Representative ROBERT L. COFFEY, JR., of the Twenty-sixth Congressional District of Pennsylvania, a fighter-pilot hero of the last war, who was killed in the crash of the jet Shooting Star, in which he was making a so-called routine practice flight. His death ended at the age of 30 years what had promised to be an outstanding career in the Congress.

Just as he faced death so fearlessly so many times in the last war, he died yesterday in the active military defense of America, as if he had been engaged in actual war activity, for he died while seeking to retain and improve his skill as a fighter pilot in case national emergency should ever call him back into the active Military Establishment.

He maintained his Reserve status and flew regularly in his jet plane, even though heavily burdened as a Member of Congress with the great multitude of duties which fall on all conscientious Members of Congress—duties which a new Member finds suddenly and overwhelmingly thrust upon him.

His constituents, I know, were proud of the fact that he was the only Member of Congress who piloted jet planes. But they were much prouder of him for being what they considered a good Congressman.

In his short tenure in Congress, since the first of this year, he demonstrated tremendous leadership potential. Had he lived, he would, I am sure, have developed into one of the outstanding Members of Congress. As it was, he brought dignity, veracity, and deep patriotism to his work in Congress.

His tragic death, climaxing a hero's career, constitutes a sorrowful blow to the people of the Twenty-sixth District of Pennsylvania, to the Democratic Party of Pennsylvania which had proudly put him forward for election to Congress, and to the Congress itself, which shall certainly miss his deep understanding of military issues and his humane approach to all issues, foreign and domestic.

Mr. President, I ask unanimous consent that Representative COFFEY's biography, as it appears in the Congressional Directory, may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The biography of Representative COFFEY is as follows:

ROBERT LEWIS COFFEY, JR., Democrat, of Johnstown, Cambria County, Pa.; born October 21, 1918, in Chattanooga, Tenn.; son of Robert Lewis Coffey and Curry Ethel Brindley; education, Ferndale High School 1935, University of Pittsburgh, and Penn State College 1939; air inspector and senior officer's course, Orlando, Fla.; Command and General Staff School, Leavenworth, Kans., 1945; profession, air force officer; received appointment as a flying cadet September 23, 1939; commissioned second lieutenant June 1940, and assigned to Langley Field, Va., as a fighter pilot; in January 1941 transferred to Puerto Rico as flight commander in the Thirty-sixth Fighter Group; promoted to first lieutenant November 1, 1941; transferred to Panama December 10, 1941, on antisubmarine patrol; March 1942, promoted to captain and made squadron commander of the Fifty-second Fighter Squadron; assigned to the Third Fighter Command in August 1942 as aide-de-camp to the commanding general; promoted to major in January 1943; overseas, European theater of operations, Ninth Air Force, December 1943; promoted to lieutenant colonel March 12, 1944; flew 97 combat missions over Italy, Yugoslavia, France, and Germany; shot down on German airfield July 11, 1944; evaded capture and operated with the French Forces of Resistance (the Maquis); returned through the German lines 1 month later; assigned as Military Air Attaché, United States Embassy, Santiago, Chile, in October, 1945; departed April 1948; jet training with the Fourth Fighter Group, Washington, D. C.; resigned regular Air Force commission September 1, 1948, to pursue political candidacy; commissioned colonel, Air Force Reserve, September 2, 1948; decorations: Distinguished Flying Cross, 3 times; the Air Medal, 27 times; Purple Heart; Bronze Star, for activities behind German lines; Orden al Mérito, Chile, for diplomatic service; European Theater of Operations Campaign Ribbon, 5 battle stars; Service Ribbon and American Theater Ribbon, from 1935 to 1939; belonged to the United Mine Workers of America and was employed in all positions from coal loader to engineer; married the former Eileen Mercado-Parra, of Ponce, Puerto Rico, October 15, 1942; two children: Robert Lewis 3d, age 4½; Eileen Maria, age 1; member of the American Legion, Veterans of Foreign Wars, American Veterans, the Elks, the Northfork Country Club, Army-Navy Club; elected to the Eighty-first Congress on November 2, 1948.

Mr. MYERS. Mr. President, at this point I offer, on behalf of myself and the junior Senator from Pennsylvania [Mr. MARTIN], a privileged resolution which I ask to have read, and for which I ask present consideration.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The resolution (S. Res. 111) was read, considered by unanimous consent, and unanimously agreed to, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. ROBERT L. COFFEY, JR., late a Representative from the State of Pennsylvania.

*Resolved*, That a committee of two Senators be appointed by the Vice President to



join the committee to be appointed by the Speaker on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives, when it reconvenes on the twenty-fifth inst., and transmit a copy thereof to the family of the deceased.

The **PRESIDING OFFICER**. The Chair will defer the appointment of the committee called for by the resolution, so that tomorrow morning the Vice President may appoint the committee.

The Chair now recognizes the Senator from Nebraska.

#### NATIONAL HOUSING ACT OF 1949

The Senate resumed the consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing and for other purposes.

Mr. WHERRY. I now renew my motion that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. MORSE. Mr. President, on that motion I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. DONNELL. Mr. President, a point of order.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. DONNELL. Are we not in the process of a roll call, and is not an unreasonable delay a proper point of inquiry and objection?

The **PRESIDING OFFICER**. The clerk will continue to call the roll, without delay.

The legislative clerk resumed and concluded the call of the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Wyoming [Mr. HUNT], the Senator from Colorado [Mr. JOHNSON], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate because of illness.

If present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the

Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Wyoming [Mr. HUNT], the Senator from Colorado [Mr. JOHNSON], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Idaho [Mr. MILLER], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate on official business.

The Senator from Kansas [Mr. REED], is detained on official business.

The Senator from Maine [Mrs. SMITH] is absent on official business. If present and voting the Senator from Maine would vote "nay."

The result was announced—yeas 32, nays 39, as follows:

#### YEAS—32

Baldwin	Hendrickson	Saltonstall
Brewster	Hickenlooper	Schoeppel
Bridges	Holland	Smith, N. J.
Butler	Jenner	Taft
Cain	Knowland	Thye
Capehart	Lodge	Vandenberg
Cordon	McCarthy	Watkins
Donnell	Malone	Wherry
Ferguson	Martin	Williams
Flanders	Millikin	Young
Gurney	Mundt	

#### NAYS—39

Anderson	Johnson, Tex.	Myers
Bricker	Johnston, S. C.	Neely
Chapman	Kefauver	O'Mahoney
Douglas	Kerr	Pepper
Ecton	Kilgore	Robertson
Ellender	Langer	Russell
Frear	Long	Sparkman
Fulbright	McClellan	Stennis
Hayden	McFarland	Taylor
Hill	McMahon	Thomas, Okla.
Hoey	Magnuson	Thomas, Utah
Humphrey	Maybank	Tobey
Ives	Morse	Withers

#### NOT VOTING—25

Alken	Green	Murray
Byrd	Hunt	O'Conor
Chavez	Johnson, Colo.	Reed
Connally	Kem	Smith, Maine
Downey	Lucas	Tydings
Eastland	McCarran	Wagner
George	McGrath	Wiley
Gillette	McKellar	
Graham	Miller	

So the Senate refused to take a recess.

Mr. MYERS. Mr. President, since the Senator from Alabama [Mr. SPARKMAN] has accepted the suggestions of the Senator from Wisconsin [Mr. MCCARTHY], it seems to me that there is certainly no controversy as to the pending amendments. I am very hopeful that we can reach a vote on those amendments. There is only one other amendment of which I have any knowledge. That is the amendment of the Senator from Alabama, to which I believe the committee has agreed, and upon which there is no

controversy. Therefore, I see no reason why we could not dispose of those amendments after the long days of debate on the bill, and then have a vote on final passage. I realize that the hour is growing late and that tempers are a bit ruffled. If we could only put our feelings aside and get a vote on this important legislation, so that tomorrow we might turn our attention to the Commodity Credit bill, I feel that the Senate would be performing a real service for the people of America.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN], in conjunction with the amendment offered by the Senator from Wisconsin [Mr. MCCARTHY].

Mr. BRIDGES. Mr. President, we have had a very interesting discussion this evening by the very distinguished Senator from West Virginia [Mr. NEELY], who looked into the crystal ball of the future relative to political parties. He analyzed the campaigns of the past. He even went so far as to predict the future nominees of the parties.

I have heard a great deal about the outcome of the last election. I have heard many persons tell the story, and I have heard it heralded over the radio and the press, that a great mandate was received by Mr. Truman and the administration in the last election.

I wonder if Members of this body realize that Mr. Truman is the first minority President since Woodrow Wilson. Since Woodrow Wilson was elected President of the United States no other President, until his time, has ever sat in the White House by reason of the vote of a minority of the voters of the United States. Sometimes when I hear from the eloquent throats of some gentlemen—particularly some of the newcomers to the Senate on the other side of the aisle—about the great mandate which swept across the country, I wonder how we are to interpret that mandate. For the first time since Woodrow Wilson we have a minority President in the White House.

Mr. KILGORE. Mr. President—  
Mr. BRIDGES. I am delighted to yield.

Mr. KILGORE. I wonder if the distinguished Senator realizes that in the election of 1864 there was another minority President elected, named Abraham Lincoln.

Mr. BRIDGES. I am aware of that; but I am talking about the current century.

Mr. KILGORE. I wish to draw a fair comparison between two Presidents, which I think the distinguished Senator will admit is only a fair comparison.

Mr. BRIDGES. Let me say to the Senator from West Virginia that in making my remarks about a minority President I mean no disrespect to the present occupant of the White House, whom I like personally. I merely wish to point out that there was no great mandate on the part of the voters of the country. Less than a majority of the voters who went to the polls voted for the head of the Democratic ticket.

Mr. KILGORE. Mr. President, will the Senator yield for a further question?

Mr. BRIDGES. I am glad to yield.



Mr. KILGORE. I want the distinguished Senator to make it plain that the statements made by him are not intended as a reflection upon the choice of the American people for the Presidency.

Mr. BRIDGES. I do not get the Senator's point. Is the Senator reflecting on him, or am I?

Mr. KILGORE. I interpreted the remarks of the Senator as a reflection upon the President.

Mr. BRIDGES. No.

Mr. KILGORE. I want to be sure that the distinguished Senator is aware of the fact that other Presidents have been elected by minorities, including the founder of the party of which the distinguished Senator is a very able member. The last election is not the only election in which a minority of the popular vote controlled an election. That is no reflection upon the man selected in such a situation, by reason of the Constitution of the United States.

Mr. BRIDGES. I will say to the Senator that there is no reflection upon the present occupant of the White House, whom I hold in high personal esteem.

As a matter of fact, when Abraham Lincoln was elected by a minority of the voters, so far as I know from my reading of American history there was no contention about a great mandate of the people. Since November I have been hearing from certain Members on the other side about the great mandate.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KILGORE. Certainly the Senator from New Hampshire will realize that in the election of 1864, the primary issue was the question of having the people give a mandate to Abraham Lincoln. The election of 1860 was the one to which I referred originally, but the election of 1864 also has a primary bearing. That question was raised in that election. Incidentally, the Congress later upset the decision of the voters; and as a result there was the terrible Reconstruction Period, following the Civil War, which probably caused most of the troubles in the South, particularly in the Southeast.

Mr. BRIDGES. Mr. President, I do not wish to go into a discussion of the Civil War at this time.

SEVERAL SENATORS. Vote! Vote!

Mr. JENNER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. JENNER. The Senate is not in order.

The PRESIDING OFFICER. The point of order is well taken, and the Senate will be in order. [A pause.] The Senator from New Hampshire may now proceed.

Mr. BRIDGES. Mr. President, on November 2, 1948, Mr. Truman received 24,104,836 votes.

Mr. Dewey received 21,969,500 votes.

Mr. Thurmond received 1,169,312 votes.

Mr. Wallace received 1,157,100 votes.

Mr. Norman Thomas received 132,138 votes.

Mr. Claude A. Watson, the Prohibition candidate, received 103,343 votes.

Mr. Edward A. Teichert, the Socialist-Labor candidate, received 27,921 votes.

Mr. Farrell Dobbs, the Socialist Workers candidate, received 13,007 votes.

And there were other scattered votes.

As I have said, Mr. President, the standard-bearer of the Democratic Party, who received the "great mandate," as stated by some Senators on the other side of the aisle, received exactly 49.5 percent of the total vote. Certainly that is no great mandate on the part of the voters of the United States.

We have heard a great deal of discussion about the Eightieth Congress, which has been termed by some a "do-nothing" Congress. I thought the very able leader presented a most excellent summary of the accomplishments of the Eightieth Congress, and I think it would be well for us to consider it further at this time.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BREWSTER. I should like to inquire whether the Senator from New Hampshire, in stating the vote, would also include reference to the 44,870,320 American citizens who did not vote in that election, and whether he would comment as to whether it is the idea of some persons that those potential voters by staying at home indicated that they were giving a mandate to any particular party or any particular person or any particular policy. That, to my mind, is the most significant aspect of that election.

Mr. BRIDGES. I may say in reply to the Senator from Maine that I think he has brought out a most interesting and striking point, namely, that millions and millions of United States citizens stayed at home and did not vote in that election. In other words, they did not give Mr. Truman and the Fair Deal or the New Deal any great mandate, but they stayed home. Probably they were attending to their own duties at home and did not feel it worth-while to give a mandate to the administration then in Washington.

Mr. BREWSTER. Would it be significant to point out that in the great State of West Virginia, from which comes the Senator who has recently commented on this matter, although there were 750,000 citizens of West Virginia who voted on one side or the other of that great issue, there were 345,250 who did not record their votes on either side of that issue—in other words, the number of persons who did not vote in West Virginia in that election equals approximately 50 percent of the number who did vote in West Virginia.

Mr. BRIDGES. Mr. President, is it possible that in the great State of West Virginia such a vast number of people failed to vote? Will the Senator state the figures again?

Mr. BREWSTER. There were 354,250 citizens of West Virginia who, although eligible to vote, did not record their opinions in the recent election. That number is almost equal, I believe, to the total Democratic vote or to the total Republican vote in West Virginia in that election.

Mr. BRIDGES. I am very much surprised to hear that. Of course, I have a very high opinion of the Senator from West Virginia, but I am amazed to learn

from the Senator from Maine that such a vast number of voters in West Virginia failed to register their votes either for or against the Senator from West Virginia or either for or against any of the candidates for President of the United States in that election. That information is very interesting, and is a very real contribution to the "mandate" suggestion, of course.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. Certainly.

Mr. PEPPER. I was going to ask the Senator from New Hampshire if he would observe, however, that those in West Virginia who did speak, spoke wisely and well. [Laughter.]

Mr. BRIDGES. Mr. President, to be very frank with you and the other Members of the Senate, I would not like to see some things rushed through here tonight. I have no intention of prolonging the Senate's discussion of these matters. However, I can talk for 2 or 3 hours longer, and I have some very pertinent remarks to make.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. In reference to the Senator's suggestion that he might talk for 2 or 3 hours, let me ask whether he has any hope that he might obtain agreement to have an extra \$12,500,000 added to an appropriation, if he prolongs his remarks now. Is that included in his thinking?

Mr. BRIDGES. I must say I have nothing of that kind in mind at the moment. Of course, I do not know exactly what may be proposed to me. [Laughter.]

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a further question?

Mr. BRIDGES. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Would the Senator desire that I circulate around on the floor of the Senate and see what kind of an arrangement along that line could be made, if the Senator from New Hampshire is adamant in his determination to speak for 2 or 3 hours longer? I do not necessarily offer myself in that connection; but I should like to have the Senator state his thinking along that line, if he cares to do so. [Laughter.]

Mr. BRIDGES. I shall give consideration to the suggestion the Senator from Iowa has made, but at the moment I have nothing of that sort in mind.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. BRIDGES. I yield for a further question.

Mr. HICKENLOOPER. Is the Senator from New Hampshire aware that a precedent for such action is already in existence, in view of the proceedings tonight on the floor of the Senate?

Mr. BRIDGES. Yes; and we did not in any way interpose objections, so as to prevent the Senator from North Dakota from obtaining it. He was fighting for what he believed in, and he was able to obtain it.



But the question here is whether anything of that sort is to be done in regard to other amendments to this measure. If that is the case, then I think we must discuss all the amendments, and of course there are other subjects which we might look into at a time such as this.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. NEELY. I wish to ask the able Senator from New Hampshire, for whom I have a very high regard, if he went far enough in his investigation of the votes cast in West Virginia in the recent election to discover that former Senator Revercomb, who was elected in 1942 and defeated me at that time by a majority of 49,000 votes, and who was my opponent in the election last year, was defeated then by me by more than 105,000 votes, in West Virginia.

Mr. BRIDGES. I was not aware of that; but I am glad to have the Senator from West Virginia put in a good plug here for the record he made. I think it is always worth while for Senators to do so; and if the Senator from West Virginia made an excellent record or run in that election, I am glad to have all Senators know that.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BREWSTER. I am interested to have the figures on the West Virginia vote, because I did not have them in the tabulation which I have been happy to call to the attention of the Senate, and which is to be found in the Appendix of the RECORD, at page A2191, under date of April 8, 1949. That tabulation gives a record of the total vote by States, showing the vote in every State of the Union in the 1948 election and in the 1944 election, together with the nonvoters.

The interesting point in connection with the statement made by the Senator from West Virginia is that although his apparent vote would be approximately 427,000, I gather that the number of those who failed to vote in that election, the number of nonvoters in his State in that election, almost equaled the number of votes he received. In other words, there were 354,000 eligible voters in West Virginia who failed to vote in that election. Of course, that is no great credit either to the Republicans or to the Democrats. I think it is a reflection on both political parties and both political organizations when almost 50 percent of the voters of the country, for one reason or another, do not think it worth while to go to the polls.

The figures as to voting in the State of the Senator from Florida, whom we have heard this evening, are even more interesting and impressive, since, while 577,000 people voted, there were 887,000 who did not vote on either side; so something less than 40 percent of the eligible vote turned out, and 60 percent of the eligible voters did not vote at all.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Florida.

Mr. PEPPER. If the Senator were familiar with the situation, I am sure he

would observe that with the rather slight Republican threat we have in Florida, all the Democrats do not feel it necessary to vote there.

Mr. NEELY. Mr. President, will the Senator yield for one more question?

Mr. BRIDGES. Certainly.

Mr. NEELY. Will the Senator ascertain from the Senator from Maine, if he can, what proportion of the vote was cast both in New Hampshire and in Maine, in the last campaign?

Mr. BREWSTER. I have it right here.

Mr. NEELY. And also 4 years ago, in the Presidential election preceding the last one.

Mr. BRIDGES. While the Senator is looking that up, I merely want to say, because the Senator bragged about his record, that the Senator from New Hampshire was elected last fall in New Hampshire by the largest majority ever given to a United States Senator in the history of the State. I had not intended to mention that.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. BRIDGES. Certainly. I yield to the Senator.

Mr. HICKENLOOPER. Apropos of the statement made by the Senator from West Virginia a moment ago, quoting his record of 6 years ago and his record of this fall, I noticed that his majority this past fall was much greater than it was 6 years ago. Does the Senator believe that the absence from office of the Senator from West Virginia enhanced his majority in the election, that the vacation he took added to the majority he later got last fall? I am asking the Senator from New Hampshire what his opinion is on that subject. I simply do not know.

Mr. BRIDGES. I am not sufficiently familiar with the record in West Virginia, but perhaps the Senator from West Virginia could give the answer.

Mr. NEELY. Mr. President, will the Senator from New Hampshire yield to me so that I may answer the question?

Mr. BRIDGES. I yield.

Mr. NEELY. The answer is that the Senator from Indiana evidently has not kept up with my history, or he would know that during my absence from the Senate I was Governor of West Virginia for 4 years and that for 2 years I was a Member of the House of Representatives. So it was not a question of being absent. I was absent from the Senate, but I was not absent from political life during those 6 years.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Hampshire yield for another question?

Mr. BRIDGES. I yield for a question.

Mr. HICKENLOOPER. The question is, will the Senator from New Hampshire please advise the Senator from West Virginia that the questioning Senator is not from Indiana, great State that it is?

Mr. NEELY. I beg the Senator's pardon.

Mr. HICKENLOOPER. But will the Senator advise the Senator from West Virginia, merely to keep the record

straight, that the questioning Senator is from the State of Iowa?

Mr. NEELY. I know the Senator is from Iowa.

Mr. BRIDGES. I am glad the Senator from Iowa made the correction, because he comes from a great State, and I think he is entitled to be listed in the Senate as coming from that State.

Mr. HICKENLOOPER. Indiana is a great State.

Mr. BRIDGES. Indeed it is.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BREWSTER. I want to give the figures which were requested. Would the Senator from New Hampshire be interested to know that in New Hampshire, in the last election, 63 percent of the eligible electorate participated in his overwhelming victory, that there were 231,440 citizens of New Hampshire who voted, giving him a majority, I believe, of some 15,000 or 20,000?

Mr. BRIDGES. It was a little more than that.

Mr. BREWSTER. Whatever it was; I do not have the figures on that. There were 133,560 who did not vote. Under the theory of the Senator from Florida, I think we may be entitled to assume those were all Republicans.

Mr. BRIDGES. I hope so.

Mr. BREWSTER. In the State of Maine the figures do not appear for the regular State election, which is held in September, at the time my junior colleague [Mrs. SMITH] was elected by the greatest majority in the entire history of the State of Maine ever given for any candidate, approximately 100,000. I do not have the total vote nor the number of Republicans who remained home on that day under the Florida theory. But in the Presidential election there were 264,787 who voted, 303,000 who remained at home; in spite of which Maine went very decidedly Republican. Those are the figures which were requested.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. NEELY. Let me inquire again what the majority was of the Senator from New Hampshire in the last election.

Mr. BRIDGES. It was about 38,000.

Mr. NEELY. Thirty-eight thousand, and my majority was 105,000. So why should I worry about any comparisons, or anything that might be said about that? [Laughter.]

Mr. BRIDGES. The Senator from West Virginia, of course, does not need to worry about any comparison. He has a few more voters in his State than we have in New Hampshire. Our ratio perhaps is a little different.

Mr. BREWSTER. He has four times as many voters, and he had twice the majority. So he seems to lag a little.

Mr. NEELY. No; if the Senator from New Hampshire had 38,000 and I had 105,000, the Senator from Maine ought to know more about arithmetic than to say that.

Mr. BREWSTER. It is two and one-half times.

Mr. WHERRY. Mr. President, I make the point of order that the Senate is not in order.



The PRESIDING OFFICER. The Senate will be in order. The Senator from New Hampshire has the floor.

Mr. BRIDGES. There were a few other things about the last national election I think we should consider. There was a total of 49,363,798 ballots cast. There were only 48,680,416 marked for President. That is a very interesting coincidence. Out of 49,363,798 ballots which were cast, a large number of the people did not vote for President. I think that is very significant. It means that 683,382 voters balloted for State, county, and local candidates, but skipped making a choice for the highest office in the land. Forty-eight million, six hundred and eighty thousand four hundred and sixteen total votes for President is the second highest in history. In 1940, the record year, it was 49,820,312. In 1944 it was 47,976,263. That affords a rather complete picture of the presidential vote.

I think that at this time, Mr. President, I should like to review some of the accomplishments of the Eightieth Congress, the so-called "do nothing" Congress, so labeled all over the country by the Democratic candidate for President and by many of the Members on the other side. This is a very interesting statement in summary, prepared by the distinguished Senator from Nebraska [Mr. WHERRY], who I think made a great contribution in summarizing the situation. I know the Senator will be interested in having the Senate and the country as a whole know this.

I now read from the compilation to which I just referred:

By an overwhelming vote of the people in the 1946 election, Republicans were placed in control of the Eightieth Congress. In the following 2 years under Republican leadership, controlling only the legislative branch of the Government, Congress achieved a remarkable record of outstanding accomplishments. These accomplishments are all the more impressive when viewed against the difficulties faced by the Republican leadership.

For 14 years the New Deal-Democrat Party had been in control of all branches of the Federal Government. This is not in fact a party in the traditional sense, but a coalition of splinter factions and pressure groups drawn from the Democratic South, from corrupt city political machines, from narrowly interested minorities, and from the radical left-wing fringe in our country. Its leaders ruled by doctrines and tactics which were radical departures from the liberal tradition in America. Much of their claims to liberalism rested on nothing more than liberality with taxpayers' money through lavish Government spending schemes unrestrained by care for the soundness of the public finances.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. When was that published, and when were the facts made known to the Nation?

Mr. BRIDGES. There is no publication date on it, but it must have been published sometime after the adjournment of the Eightieth Congress and prior to the convening of the Eighty-first Congress. Whether there was time enough for the public fully to compre-

hend it I do not know. Apparently the public did not.

Mr. JOHNSTON of South Carolina. Was it not published immediately after the adjournment of the Senate in 1948?

Mr. BRIDGES. I could not tell the Senator that.

Mr. JOHNSTON of South Carolina. Was it not published in order to try to get the voters to study it, in order to induce them to vote for Republican candidates? Is not that a fact?

Mr. BRIDGES. I assume it was put out for a similar purpose, but I am not familiar with that.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WHERRY. I think it was put out only 2 weeks after a similar statement was issued by the then minority leader. This statement set forth what the Eightieth Congress did, and the statement issued by the minority leader set forth what the Eightieth Congress did not do. If the people had known the facts, I think there would have been a different result.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. So it was made public in order that the voters would know about what had occurred in the Eightieth Congress.

Mr. BRIDGES. Such documents are published at every session.

Mr. JOHNSTON of South Carolina. I am not criticizing it. I was wondering whether the people knew about it when they had an opportunity to vote.

Mr. BRIDGES. Some of them must have voted without knowing many facts about it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WHERRY. Is it not a fact that those who did find out the facts did not elect the present occupant of the White House? Is he not in the White House by minority vote?

Mr. BRIDGES. Yes. The persons who were familiar with the document may have voted Republican or for the distinguished Governor of the State of the Senator from South Carolina. There were many fine people in the Dixiecrat Party. I know they did a great job for Mr. Thurmond, and they were not in the Democratic parade. When I heard about Governor Thurmond going by in the inaugural parade and his failure to get recognition, it bothered me, because I like to have all 48 governors treated alike. It bothered me to think that Governor Thurmond should receive any slight in that respect.

Mr. President, I should like to continue for a little while.

I read further:

They padded the public pay rolls with officeholders and then impaired the value of public services by using them for propaganda and chicanery. Persons equipped with alien doctrines were permitted in the Government service while they used their positions to undermine the national interest.

They governed by emergencies and crises, by misleading and by suppressing information, by circumventing Congress, by controls and coercive Executive orders, by mul-

tiplying bureaus and agencies, by cheapening the value of money, by aggravating class and racial differences for political gain, and by assuming in the Federal Government powers which constitutionally are reserved to the States and to the people. The Government took almost a quarter of the people's income to maintain this outrageous system.

We had fought the war at great cost and human sacrifice to end the threat of totalitarian dictators and to establish peace with justice on the high principles of the four freedoms and the Atlantic Charter. Yet the administration forgot these principles when the time came to negotiate settlements for the peace and reconstruction of the world. It retarded European recovery by the crippling operations advanced in the Morgenthau plan. It invited the Russians to move into Europe and Asia by concessions at Yalta and Potsdam. Then the administration used billions of the American taxpayers' money to pay for its mistakes while it played the dangerous game of power politics all over the world.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Indiana.

Mr. JENNER. I should like to know whether the Senator will yield for the purpose of suggesting the absence of a quorum.

Mr. BRIDGES. I shall be glad to yield for that purpose, if I do not thereby lose the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I object.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Objection is heard.

Mr. WHERRY. Mr. President, I should like to ask the Senator from New Hampshire to yield in order that I might make a motion to take a recess.

The PRESIDING OFFICER. The Senator cannot yield except for a question.

Mr. BRIDGES. Mr. President, I will yield the floor.

Mr. WHERRY. Mr. President, I move that the Senate recess until tomorrow at noon.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hoey	Morse
Baldwin	Holland	Mundt
Brewster	Humphrey	Myers
Bricker	Ives	Neely
Bridges	Jenner	O'Mahoney
Butler	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Robertson
Capehart	Kem	Russell
Chapman	Kerr	Saltinshall
Cordon	Kilgore	Schoepel
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Downey	Lodge	Taylor
Eaton	Long	Thomas, Okla.
Ellender	McCarthy	Thomas, Utah
Ferguson	McClellan	Thye
Flanders	McFarland	Vandenberg
Frear	McMahon	Wherry
Fulbright	Magnuson	Williams
Gurney	Malone	Withers
Hayden	Martin	Young
Hendrickson	Maybank	
Hill	Millikin	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from



Nebraska that the Senate take a recess. Mr. WHERRY. No action has been taken on the motion, of course. Therefore I ask that it be withdrawn.

The PRESIDING OFFICER. The Senator withdraws the motion.

Mr. BRIDGES. Mr. President, I continue to read:

The New Deal-Democratic administration desperately sought to carry over into peacetime the powers, functions, and controls it exercised in war, although these controls handicapped the productive energies of industry, labor, agriculture, and business. The low prices set by administration price controls proved fictitious because store shelves were bare, black markets flourished, and subsidies of taxpayers' money were required to provide the incentive to produce.

Mr. President, I make the point of order that the Senate is out of order.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield for a question.

Mr. WHERRY. I am wondering if the distinguished Senator from New Hampshire, now that the hour is 11:05 o'clock, does not feel that there is some way by which we can induce him to indicate whether or not he would be agreeable to having a vote on the amendment which is now before the Senate with the idea that there might be some disposition to get a final vote on the bill so that we might recess. I appeal to the Senator to see if he might not permit the Senate to do that at this time. I do not wish in any way to detract from the statement from which he is reading, because I had something to do with compiling it, and I should like to see it all in the RECORD, but I would appeal to the Senator, if he would listen to me—and I have a great affection for him—to indicate if there is not some way by which we could get to a vote on the amendment and on the final passage of the bill.

Mr. BRIDGES. The Senator from New Hampshire has no desire unduly to prolong the debate, but we arrived at a situation earlier in the evening where amendments were floating around too rapidly, and for reasons which certainly were not understood generally by the Senate. The Senator from New Hampshire took the floor so that we might have an explanation of the amendments as they came forth. Then Senators made sundry reflections, a Senator reflected on the Republican Party, and the Senator from New Hampshire felt it his duty to discuss some of the points which the Republican Party richly deserved having discussed.

Mr. WHERRY. Will the Senator yield for another question?

Mr. BRIDGES. I yield.

Mr. WHERRY. I deeply appreciate the service rendered by the distinguished Senator from New Hampshire, and I am satisfied that it has been a great service to bring this matter to the attention not only of the Senate, but of the country generally. I should like once more to appeal to the Senator to insert the remainder of the article in the RECORD, and permit us, if he sees fit, to take action on the amendment pending, and see if there is a chance to pass the bill tonight.

Mr. BRIDGES. Mr. President, if there is a desire on the part of the Members of

the Senate to complete the legislation tonight, and it is causing inconvenience to various Members of the Senate to be kept here at this late hour and we can have a vote and understand what we are voting on, and then an explanation of any further amendments which may be offered, the Senator from New Hampshire certainly will acquiesce in that program.

Mr. WHERRY. I thank the Senator from New Hampshire, and I appreciate his attitude very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN] as modified by the amendment of the Senator from Wisconsin [Mr. MCCARTHY].

Mr. SALTONSTALL. Mr. President, if we are to vote on the amendment of the Senator from Alabama, I wish to ask him some questions, because I state most sincerely, and without any idea of delaying action, that the amendment in its present shape is not in good form, and presents a question which, 25 years from now, may arise in respect to two adjourning housing projects.

In Boston today there are some low-rent housing projects which were built before March 1, 1949. As the amendment of the Senator from Alabama is drawn, any housing projects built after March 1, 1949, must give first preference to veterans for an indefinite period of time. If that preference is limited to 5 years, there is no objection to the amendment in its present form, but if the date is stricken out so that veterans will have preference indefinitely, a situation will arise to which I wish to invite attention.

A low-cost housing project built before March 1, 1949, stands beside one built after March 1, 1949. A veteran has a preference in the latter, he has no preference in the former. So that 25 years from now, let us say, there will have to be signs on the front of one house, "This was built before March 1, 1949," and on another, "This was built after March 1, 1949." In one a veteran would have to compete with another citizen. In the other he would have preference.

As the bill was originally drawn, as I have been reading it, it is perfectly satisfactory, because the preference lasts only 5 years, but if it is going to last for an indefinite period of time there should be further amendments to make the amendment offered by the Senator from Alabama really effective. The way to make it effective would be to strike out, in line 19, page 28, the words "initiated after March 1, 1949." If those four words were stricken out, then a veteran would have a preference in any housing development whether built before March 1, 1949 or after March 1, 1949.

So, Mr. President, I submit most respectfully, and without any idea of delay, that the amendment of the Senator from Alabama should be further amended, if it is going to be made really effective and be efficient in the years to come.

Mr. SPARKMAN. Mr. President, will the Senator from Massachusetts yield to me before he takes his seat?

Mr. SALTONSTALL. I yield.

Mr. SPARKMAN. Do I understand correctly that the Senator from Massa-

chusetts offers that as a modification to my amendment? I will say to the Senator that I certainly have no objection to his proposal. I believe that if the Senator seeks to amend in that respect, he ought to amend also by striking out the first part of my amendment.

Mr. SALTONSTALL. That is correct. That also should be stricken out.

Mr. SPARKMAN. Which would have made an addition on line 1 on page 29.

Mr. SALTONSTALL. Does not the Senator from Alabama agree that the changes I have suggested would give veterans a preference regardless of the date of the project?

Mr. SPARKMAN. I think there is much merit in the contention the Senator from Massachusetts makes.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. PEPPER. Is the effect of the Senator's suggestion to make the amendment retroactive to March 1, 1949, with respect to projects already built, and if so, is that possible?

Mr. SALTONSTALL. My purpose would not be to make it retroactive, but simply to say that from this date onward, veterans will have preference as to all low-rent housing regardless of when the housing was built.

Mr. PEPPER. Mr. President, will the Senator again yield?

Mr. SALTONSTALL. I yield.

Mr. PEPPER. I thought the Senator was speaking a moment ago about the date of the construction of the houses, because the Senator said that on one project there would be a certain date and on another project another date. I have not made any study of the subject. I do not know whether we could make the provision retroactive and applicable to projects already constructed.

Mr. SALTONSTALL. My purpose is not to make it retroactive. The amendment of the Senator from Alabama provides that veterans shall have certain preferences on housing built after March 1, 1949. If that were only for 5 years, it would be perfectly proper, because it would identify the housing very easily, but if it is to go on indefinitely for 25 years, or up to 45 years, I think then in fairness to the next generation there should not be any distinction between housing built in 1937 and in 1949.

Mr. PEPPER. That was the question I was asking, and no doubt the Senator has examined the subject. If we are at liberty to do so I should like very much to have it retroactive to all the Federal housing projects. But I simply do not know that we could make it retroactive to the first Federally-aided housing projects. If the Senator thinks that can be done, well and good.

Mr. SALTONSTALL. My hope is simply to put all the housing projects on the same basis.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. FERGUSON. I think the Senator's proposal would bring about just what he expresses the desire to have brought about with respect to all buildings built under the United States Hous-



ing Act of 1937. On page 28 of the bill, line 13, this language appears:

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows.

The Senator's proposal would apply to the act of 1937. Therefore the houses built under that act would be subject to the preference, and I understand that is exactly what the Senator wants to do, and I think that is what ought to be done.

Mr. SALTONSTALL. I believe it should be done if we are to have veterans' preference last for an indefinite period of time, because houses will grow old, and we will not know which house was built before March 1, 1949, and which was built after that date.

Do I understand that the Senator from Alabama would accept an amendment, to strike out the words on page 28, line 19, "initiated after March 1," and withdraw the first of his three amendments, as typed, at the desk?

Mr. SPARKMAN. That is thoroughly acceptable to me.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Senator from Alabama has further modified his amendment, in line with the suggestion of the Senator from Massachusetts [Mr. SALTONSTALL]. The question therefore is on the amendment, as modified.

Mr. BRIDGES. Mr. President, is the question on the amendment as modified by the Senator from Wisconsin [Mr. MCCARTHY], and as further modified by the Senator from Massachusetts [Mr. SALTONSTALL]?

The PRESIDING OFFICER. That is correct. The amendment, as modified, will be stated.

The CHIEF CLERK. On page 28, line 19, it is proposed to strike out the words "initiated after March 1, 1949."

On page 29, line 4, it is proposed to strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

On page 29, line 14, it is proposed to strike out the words "where an application for admission is made not later than 5 years after March 1, 1949."

On page 29, line 24, after the figures "1949," it is proposed to insert the words "and at any time on or after April 6, 1917, and prior to November 11, 1918."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN], as modified.

The amendment, as modified, was agreed to.

Mr. SPARKMAN. Mr. President, I call up my next amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 73, after line 20, it is proposed to insert the following new section and renumber appropriately the succeeding two sections:

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public-housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. Will the adoption of the Senator's amendment make Senate bill 1070 apply to the District of Columbia?

Mr. SPARKMAN. The purpose of the amendment is to give to the National Capital Housing Authority the right to purchase sites for slum clearance and public housing and to participate in the benefits of the act.

Mr. FERGUSON. It would make the act apply to the District of Columbia, except as to rural districts?

Mr. SPARKMAN. That is correct.

Mr. FERGUSON. As Senate bill 1070 was drawn, it did not apply to the District of Columbia. Why had the District been left out originally?

Mr. SPARKMAN. The bill as drawn, at least in part, is an amendment to the Housing Act of 1937. It does apply to the District of Columbia. But under a bill that was passed in 1946, there was created the District of Columbia Redevelopment Land Agency. That bill, as it passed the Senate, contained several amendments. The amendments were not germane to the bill, but were crippling to public housing. One of the amendments transferred to the new agency all the National Capital Housing Authority's power to acquire sites.

Representatives of public housing protested the amendments, especially that transferring power to acquire sites, because it would prevent more than a fragment of a public-housing program in the District of Columbia. Experience has borne out the forecast which those representatives then made. The only redevelopment project yet planned—none has been undertaken—provides for only 350 low-income families. At this time the National Capital Housing Authority has 18,000 low-income families on its waiting list, more than 5,000 of them families of low-income veterans. Even if the redevelopment agency were fully implemented, a large part of the redeveloped areas would be redeveloped for uses other than public housing though they will necessarily displace a low-income population.

But because Congress had to adjourn within a few days, the chairman of the Senate conferees said that referring the bill to conference meant its death. Proponents of public housing therefore acquiesced in accepting the amendments in the hope that Congress would later repeal them. Since then Congress has neither repealed the amendments nor has it implemented the Redevelopment Act.

Consequently, if the National Housing Act of 1949 is passed, the National Capital Housing Authority will be the only public housing agency in the country which cannot take advantage of its provisions. In order to remove this restriction the amendment is offered.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. In August, 1945, the District of Columbia Redevelopment Act

was passed. That carried an authorization of \$20,000,000. Since that time I think about \$50,000 to \$70,000 has been appropriated for plans. Will the fact that we include it in the pending bill in any way repeal the District of Columbia Redevelopment Act of 1945, or will that act stand, and will the new act, Senate bill 1070, merely mean that we are providing further housing for the District of Columbia?

Mr. SPARKMAN. As a matter of fact, under the act to which the able Senator has referred, it is my understanding that no money was ever appropriated, and therefore nothing was ever done.

Mr. FERGUSON. Some money was appropriated for plans.

Mr. SPARKMAN. A mere pittance, not even enough to complete a plan, if I correctly understand.

Mr. FERGUSON. Will this amendment in any way repeal what Congress did in the Redevelopment Act, or will it merely mean that we are authorizing the District of Columbia agency to come under the provisions of the proposed act? Will it also come under the other act, so that more housing will be provided for the District of Columbia?

Mr. SPARKMAN. The first statement of the Senator is correct, according to my understanding. In other words, by this amendment we place the same power in the local housing agency, whatever its name may be, that we place in every other local housing authority throughout the country.

Mr. FERGUSON. The Senator is more familiar with the bill in relation to its repealing clauses than I am. Will there be anything in it that may repeal the District of Columbia Redevelopment Act?

Mr. SPARKMAN. Not in Senate bill 1070, the bill before us, and not in the amendment I have offered.

Mr. FERGUSON. That is what I want to make sure of.

Mr. SPARKMAN. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I send to the desk certain technical amendments which I offer.

The PRESIDING OFFICER. The amendments offered by the Senator from Alabama will be stated.

The legislative clerk read the amendments, as follows:

1. On page 8, lines 4 and 5, delete the words "not to exceed in any fiscal year an additional" and insert the words "additional amounts aggregating not more than."

2. On page 10, line 16, delete the words "not to exceed in any fiscal year an additional" and insert the words "additional amounts aggregating not more than."

3. On page 17, line 12, strike out "section 3709" and insert in lieu thereof "section 3709, as amended."

4. On page 19, lines 5, 6, and 7, strike "sections 1 and 2 of the act of June 13, 1934 (U. S. C., title 40, secs. 276b and 276c)," and insert in lieu thereof the words "title 18, U. S. C., section 874 and of title 40, U. S. C., section 276c."



5. On page 27, line 25, make the word "need" read "needs."

6. On page 34, line 6, after the word "act" and before the close parenthesis insert the words "and notwithstanding any other provisions of law."

7. On page 34, line 17, delete the words "provisions of this act" preceding the semicolon and insert the following: "first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c)."

8. On page 40, lines 17 and 18, delete the words "not to exceed in any fiscal year an additional amount of" and insert in place thereof the words "additional amounts aggregating not more than."

9. On page 41, lines 14 and 15, delete the words "not to exceed in any fiscal year an additional" and insert the words "additional amounts aggregating not more than."

10. On page 41, line 17, delete the words "not to exceed in any fiscal year" and insert the words "amounts aggregating not more than."

11. On page 41, line 25, delete the word "development" and insert the words "commencement of construction."

12. On page 42, line 20, insert after the word "exemption" and before the comma, the words "and the authorization of payments in lieu of taxes."

13. On page 43, line 5, delete the words "were payable" and insert the words "dates occurred."

14. On page 43, line 17, delete the words "are payable" and insert the words "dates occur."

15. On page 49, line 6, strike out "321b," and insert in lieu thereof "321n."

16. On page 72, lines 16 and 17, delete the words "the State or."

Mr. BRIDGES. Mr. President, will the Senator from Alabama explain these amendments? I am not asking for a lengthy explanation, but the Senator stated that the amendments read by the clerk were technical amendments. They certainly are technical, and many in number. The point I wish to make clear is whether or not they change the meaning of the bill in any material way. What is the general purpose of the amendments?

Mr. SPARKMAN. I have prepared a memorandum which explains the amendments. It is not very long. I shall read it. I think it will conform to the wishes of the Senator from New Hampshire.

#### EXPLANATION OF TECHNICAL AMENDMENTS TO S. 1070

Amendments Nos. 1, 2, 8, 9, and 10: These amendments are to clarify the escalator clauses relating to the amount of annual contributions which may be contracted for, or dwelling units which may be constructed, in any one year, so as to make it clear that the aggregate increases or decreases in such amounts for any one year will not exceed the amounts specified in the act.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. Does that mean that if they build less the first year, they may carry them over and build them in the second year? Is that what the Senator is doing by these amendments?

Mr. SPARKMAN. These amendments relate to the escalator clause. The average number over the 6 years is 135,000 a year.

Mr. FERGUSON. Suppose they build only 50,000 the first year, can they build the next year those that were left out the first year?

Mr. SPARKMAN. The next year they could build 135,000 plus whatever number the President decided could be constructed under the formula prescribed in the bill, not to exceed 200,000.

Mr. FERGUSON. But under no circumstances could they build the second year more than 200,000, even though they built only 25,000 the first year.

Mr. SPARKMAN. That is my understanding. I think the sense of the amendment is to make that very clear. The Senator will notice that we use the words "not more than."

Continuing with the explanation of the amendments:

Amendments Nos. 3, 4, and 15: These amendments are to insert the correct statutory citations.

Amendment No. 5: This amendment is necessary because housing needs may be of several kinds and because the plural instead of the singular is used elsewhere in the act when referring to such housing needs.

Amendment No. 6: This amendment is necessary in order to make it clear that the covenant permitted by section 22 may be made (in lieu of the provision required by the first sentence of subsection 15 (3) as now specified in S. 1070) notwithstanding any other provision of law which might be construed as inconsistent therewith. While it may be that the provisions of section 508, which provide that the provisions of S. 1070 are controlling in the event of inconsistency, would overcome any resulting difficulties, it is desirable to eliminate any possible ambiguity—particularly in connection with financing provisions.

Amendment No. 7: This amendment is necessary in order to make more specific the references to the provisions in the act which are involved.

Amendment No. 11: This amendment conforms the language of the second proviso of the second sentence to the language of the second proviso of the first sentence which correctly employs the term "commencement of construction" rather than the term "development."

Amendment No. 12: This is to make it clear that, in the case where State law prohibits tax exemption of the project, and the locality provides a cash contribution in lieu thereof, such cash contribution will not be reduced by any payments in lieu of taxes.

Amendments Nos. 13 and 14: These amendments are to cover the situations where, although an annual contribution date occurred, no contributions actually were paid because in those years the project revenues were sufficient, without such contribution, to meet debt service.

Amendment No. 16: This amendment makes clear the intent of the section that the State can apply if it is operating the project since, in such case, the State is a "public housing agency" under the definition in section 2 (11) of the United States Housing Act, but cannot apply where it is not operating the project since, in such case, the local public agency operating the project must apply.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FERGUSON. I should like to have the RECORD clear on the question of the sums of money in lieu of taxes. There was a grave doubt that the housing authorities were authorized to enter into contracts with the Federal Government for the payment of money in lieu of taxes. What does the Senator propose to do under the amendments which he offers?

Mr. SPARKMAN. We are making the provision uniform. We are doing the

same thing which the Committee on Appropriations did this year in the deficiency appropriation bill. I am not sure, but I believe that we use exactly the same language.

Mr. FERGUSON. Is the Senator making the amount 10 percent of the shelter rent?

Mr. SPARKMAN. Not to exceed 10 percent of the shelter rent.

Mr. FERGUSON. Will that cause the Federal Government to make further contributions to the cities, to make up the 10 percent of the shelter rent?

Mr. SPARKMAN. It simply provides that there shall be paid to the city, in lieu of taxes, an amount not to exceed 10 percent of the shelter rent. It is the same provision, as I understand, as the one which went into the appropriation bill this year. The reason that provision is inserted in the amendment is to take care of the situation in the State of Ohio, where it has been held, as I understand, that payments cannot be made in lieu of taxes.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. I may say to the distinguished junior Senator from Michigan [Mr. FERGUSON] that the argument is the same as the one we have heard in the Appropriations Committee for a period of years; and this amendment is exactly the same as the one we placed in the appropriation bill 2 years ago, to limit the payments and to have them made in the way that the Senator and I discussed in the committee; and in connection with that matter the Senator from Georgia introduced a measure to repeal such a provision in connection with the appropriation bill which was reported last year. So it is exactly the same, and the question is one in regard to payments made in lieu of taxes.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Alabama. [Putting the question.]

The amendments were agreed to.

The PRESIDING OFFICER. The bill is before the Senate, and is open to further amendment.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the New York Herald Tribune of today; a telegram from James G. Patton, president of the National Farmers' Union; a telegram from Walter P. Ruether, chairman, CIO National Housing Committee; and a short newspaper item from the New York Times of April 11, 1949; a telegram from Mr. John C. Persons, president of the First National Bank of Birmingham; a telegram from the First National Bank of Mobile; and an article published in the New York Post Home News of this date, by Charles Abrams.

There being no objection, the editorial, telegrams, and articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of April 21, 1949]

#### THE SENATE HOUSING BILL

The Senators' tour of the Washington slums says about all there is to say on the need for the long-delayed national housing program. When Members of Congress may



walk only a hundred yards from their offices to find family after family crowded into unsanitary and condemned buildings because there is no other place for them to live, the why of aid to housing is plain beyond argument.

The Senate, recognizing that conditions such as this will be remedied only by a national policy and program of action, has twice before passed a comprehensive housing bill. Through two shifts of party leadership it has put aside politics to respond to the overweening public need. The foundation provisions of the bill now under debate are those worked and reworked over a period of years by some of the most capable men on both sides of the Senate. These same men have again hammered out agreement, compromising the views of the two parties, enlisting the sponsorship of 11 Democrats, 11 Republicans.

Thus the goal of the bill's public housing provisions—1,050,000 units in 7 years on the administration side, 600,000 in 6 years on the Republican side—now becomes 810,000 units over 6 years. This is a fair compromise and a realistic goal. The main reliance on private enterprise to meet the bulk of housing needs is still there, with ample safeguards against putting public housing into destructive competition with private. Urban redevelopment sections of the old bill have been changed to meet a concrete situation in most cities, where the housing shortage itself makes slum clearance and orderly city planning impossible if rebuilding must be limited to slum-cleared land. The measure rests responsibility in the local authorities for initiating and developing the local programs. It retains grants for research essential to a long-range attack on building costs, outmoded codes, and instability in the housing industry.

In sum, this is as good a bill as the most earnest men in Congress, concentrating on housing needs and seeking the most hopeful means for meeting them, could devise. What we hope and urge is that the Senate will pass this good bill with such a strong demonstration of unanimity that opposition in the House, twice successful in obstruction, must this year crumble away.

WASHINGTON, D. C., April 20, 1949.

JOHN SPARKMAN,  
Senate Office Building:

The National Farmers Union strongly urges the defeat of Senator TAFT's amendment to the housing bill which would eliminate sections 404, 405, and 408 from the bill. Without these sections the farm housing program included in the bill will be of little or no avail in attacking the worst of the rural slum conditions with which it should deal. We believe that rural people are as much entitled as urban people to an adequate program for slum clearance in agriculture.

JAMES G. PATTON,  
President, National Farmers Union.

DETROIT, MICH., April 19, 1949.

HON. ROBERT F. WAGNER,  
Senate Office Building,  
Washington, D. C.

Your support of comprehensive housing legislation most encouraging to millions of families living in unhealthful conditions. Passage of adequate housing legislation by this Congress including a program for the middle-income group will be long step toward the solution of the housing tragedy which exists in this country today. Millions of organized workers who are watching this bill closely will especially remember your support of this legislation.

WALTER P. REUTHER,  
Chairman, CIO National  
Housing Committee.

[From the New York Times of April 11, 1949]  
WORKERS' HOMES PLANNED—ITALIAN DEPUTIES  
VOTE 7-YEAR PROJECT OF 1,700,000 ROOMS

ROME, April 10.—The Italian Chamber of Deputies approved last night a 7-year Government housing program intended to build about 1,700,000 rooms for workers.

The vote was 244 to 85, with only Communists and pro-Communist Socialists voting against it.

BIRMINGHAM, ALA., April 20, 1949.

HON. JOHN J. SPARKMAN,  
Senate Office Building:

I would like for you to know that we are in favor of the retention of section 502 of the 1949 housing bill. We believe that banks can be of service in handling the securities that may develop under this section.

JOHN C. PERSONS,  
President, First National Bank  
of Birmingham.

MOBILE, ALA., April 20, 1949.

HON. JOHN J. SPARKMAN,  
Senate Office Building:

We very much favor retention section 502, Housing Act, 1949.

FIRST NATIONAL BANK OF MOBILE.

[From the New York Post Home News of  
April 21, 1949]

WASHINGTON, D. C., April 21, 1949.—While the United States Senate was debating the housing and slum-clearance bill yesterday, the Negro tenants of 30 alley dwellings across the street which had been visited by a group of Senators the day before and called a national disgrace, were being served with notices to get out, so the United States Senate could have a new office building.

"A man came and just tacked it up on the door," said Mrs. Mary Deville, showing me an eviction notice by the Government directing her and all the other tenants in Schott's Alley to leave within 30 days.

Mrs. Deville, mother of 10 children, whose husband, Ralph, earns about a hundred dollars a month and pays \$10 a month for rent said to me yesterday:

"I've been everywhere; I've been to the housing authority and they said they have no apartments big enough \* \* \* too many children they told me. The best I could get, the landlord wants a hundred dollars a month for, and you know we have to have something left for food."

John Ihlder, executive officer of the National Capital Housing Authority, told me yesterday that he has 18,000 families on the waiting list and no apartments big enough for the Devilles. "We are simply not able to accommodate the families in Schott's Alley," said Ihlder. He said there are thousands of preferred cases on the waiting list ahead of them, veterans and tenants who have been cleared from other sites to make room for other public buildings.

"Look at them kids," said Mrs. Deville, ruefully, as she watched her 8-year-old running down the alley \* \* \* "the way they wear out their shoes."

Schott's Alley looks right up into Senator FULBRIGHT's office across the street. The dwellings consist of little two-story brick buildings with two rooms on a floor, each just about big enough for a bed. They were built before the Civil War; some of them are old stables. The rooms haven't been painted in decades and big gaping holes in the ceilings reveal the decaying wooden lath. There is neither gas nor electricity nor plumbing. Lighting is by candle. Back of each house is an outhouse which in the summer sends forth an odor to the surrounding neighborhood and the tenants in an apartment house

nearby, inhabited largely by Senators' secretaries, have repeatedly complained.

Last Tuesday the Senate interrupted debate on the housing bill to allow a group led by Senator DOUGLAS of Illinois to inspect some of the slum alleys nearby. Schott's Alley was the first they visited. "I had to scrub myself afterward," said one of the Senators. After the tour, the pictures of the slums were plastered over the front pages of the Washington newspapers. But few people here knew that the very slum the Senators saw had been ordered torn down to make way for the new Senate office building extension.

"How can you possibly sleep ten children here?" I asked Mrs. Deville, looking at the tiny bedrooms. "The children are small, you know, and it's gonna be hard as they grow up, but we got a roof now anyway. I don't know where we'll go now, though. The rents are so high." Inside on the bed were her 2-year old twins.

In another house was Mrs. Mary Bennett, a widow with seven children, the youngest 2 years, the oldest 15. Mrs. Bennett is on relief. The 6-year-old girl was lying on the bed in the stuffy, stinking little room with a fever. She had just gotten her notice too, Mrs. Bennett told me, and she had gone down to ask the relief agency whether they could get a house for her. They told her they would pay her rent but getting her a house was impossible.

"You'll just have to find a house for yourself some way," they said. "I don't want to go out on the street," she said.

In another of the little houses was Mrs. Mary Johnson whose husband gets \$20 a week as workman's compensation. One of his eyes was taken out by a piece of steel a little while ago. They have 6 children, the youngest a 10-month old boy, the oldest 12. As I entered, the children were all crowded around a kitchen table eating by candlelight. There was a stale, stuffy odor coming out of the hot room. "I have looked and looked for a house," she said bitterly, "but when they hear I've got 6 children they just walk away."

"I've just been walking myself to death looking," said Rosalie Johnson, another tenant, "but everything's for sale and nothing's for rent."

Ihlder told me yesterday there are simply no places for these people at the rents they can afford, particularly for the larger families. There are more than 40,000 substandard houses in the Nation's Capital, of which 1,300 are alley-slum dwellings, he said.

At one of the recent sessions, Congress put a limit on the amount the National Capital Housing Authority could spend for new housing—no more than \$5,000 per unit, so Ihlder built few large apartments. Though the Government has asked for immediate possession of Schott's Alley to make way for the Senate Office Building, none of the families is being helped to find a house. Senator SPARKMAN, Democrat, of Alabama, who is leading the fight for the housing bill told me yesterday that he thought extensions of time could be arranged for the tenants.

Curiously the debate most of the day yesterday centered around Senator CAIN's proposal to tear down slums as the only way of getting rid of them. CAIN who opposes the housing measure wants one house torn down for every new house built. With 18,000 families in the District ahead of them, the tenants in Schott's Alley may have a long time to wait if CAIN's amendment is adopted.

Yesterday, during the course of the debate, Senator BRICKER, Republican, of Ohio, said that slums are "a state of mind." But the tenants of Schott's Alley all think that though their slum is pretty bad, it's better than being on the street.

CHARLES ABRAMS.



Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a large number of telegrams which have been sent to me by bankers located in many of the States of the Union.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SAN ANTONIO, TEX., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing larger program projected and will lower costs to the Federal Government.

DEWAR, ROBERTSON & PANCOAST.

CINCINNATI, OHIO, April 8, 1949.

BURNET R. MAYBANK,  
Banking and Currency Committee,  
Senate Office Building:

As private investment dealers, we strongly urge retention of banking amendment in Housing Act, for the authorizing of banks to underwrite and deal in new housing bonds distribution as broad as possible is absolutely essential for financing the large program projected and should very definitely lower costs to Federal Government.

BREED & HARRISON, INC.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we favor retention of section 502 in Housing Act of 1949 which authorizes banks to underwrite and deal in new housing bonds. Because of large financing projected broadest distribution of the issues is vital and should result in lower costs to the Federal Government.

EDWARD F. WRIGHTSMAN,  
Manager, Municipal Bond Department,  
Fitzgerald & Co., Inc.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Senate Office Building:

As private investment dealers we advocate retention of section 502 of Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is essential for successful financing of this large program and will reduce costs to the Federal Government.

OTIS & Co.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we favor retention of section 502 in Housing Act of 1949 which authorizes banks to underwrite and deal in new housing bonds. Because of large financing projected broadest distribution of the issues is vital and should result in lower costs to the Federal Government.

CHAS. E. QUINCY & Co.

SAN ANTONIO, TEX., April 8, 1949.

BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large programs projected and will lower cost to Federal Government.

RUSS & Co.

DENVER, COLO., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As a private investment dealer, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds; broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

J. A. HOGLE & Co.,  
KARL L. MAYER.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

W. C. LANGLEY & Co.

ST. LOUIS, MO., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

Understand Federal Housing Act comes up for consideration shortly; in order to provide widest possible market for the bonds to be issued under the act we favor strongly retention of section No. 502 permitting commercial banks to underwrite and deal in these bonds.

REINHOLDT & GARDNER,  
Members New York Stock Exchange.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

BARTOW LEEDS Co.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

ADAMS MCENTEE & Co., INC.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

HARVEY FISK & SONS, INC.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Senate Office Building:

As private investment dealers, we advocate retention of section 502 of Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is essential for successful financ-

ing of this large program, and will reduce costs to the Federal Government.

SWISS AMERICAN CORP.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Chairman, Banking and Currency Com-  
mittee, Senate Office Building:

As private investment dealers in United States Government, State, and municipal securities, we feel in order to lower the subsidy cost to the Federal Government that the broadest market possible should be made available for the proposed housing bonds.

C. J. DEVINE & Co., INC.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency Com-  
mittee, Senate Office Building:

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected, and will lower cost to Federal Government.

CENTRAL REPUBLIC Co., INC.

RENO, NEV., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Bank and Currency Commit-  
tee, United States Senate Office Build-  
ing:

As a private investment dealer we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

J. A. HOGLE & Co.

PHILADELPHIA, PA., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, Senate Office Building:

As private investment dealer we urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds broadest possible market is absolutely necessary for financing the large program projected and should very definitely lower cost to Federal Government.

A. WEBSTER DOUGHERTY & Co.

CINCINNATI, OHIO, April 8, 1949.

BURNET R. MAYBANK,  
Chairman, Banking and Currency Com-  
mittee, Senate Office Building:

As private investment dealers we strongly urge retention of banking amendment in Housing Act for the authorizing of banks to underwrite and deal in new housing bonds. Distribution as broad as possible is absolutely essential to financing the large program projected and should very definitely lower cost to Federal Government.

DOLL & ISPHORDING, INC.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
Senate Office Building:

As private investment dealers, we advocate retention of section 502 of Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is essential for successful financing of this large program and will reduce costs to the Federal Government.

WOOD GUNDY & Co., INC.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, Senate Office Building:

As private investment dealers, we advocate retention of banking amendment in



Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

RHOADES & CO.  
CARL M. LOEB,

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Senate Office Building:*

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

JAMES S. BAKER & CO.

PHILADELPHIA, Pa., April 8, 1949.

The Honorable BURNET R. MAYBANK,  
*Chairman, Senate Banking and  
Currency Committee,*

*Senate Office Building.*

As private investment dealers we strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is absolutely essential for financing large program projected and will lower cost to Federal Government.

SCHMIDT POOLE & CO.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Senate Building.*

As private investment dealers we advocate retention of bank amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

NEW YORK HANSEATIC CORP.

NEW YORK, N. Y., April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Banking and  
Currency Committee,*

*Senate Office Building.*

We favor continuation of proposal in new Housing Act permitting commercial banks to underwrite and deal in housing bonds so that financing the housing program will be facilitated at lowest cost to Treasury and effect the widest market distribution.

BRIGGS SCHAEDEL & CO., INC.

MINNEAPOLIS, MINN., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman of Banking and Currency,  
Senate Office Building:*

As private individuals and dealer we advocate retention of bank amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market necessary for financing this large program and to obtain lowest interest costs to Federal Government.

PALMER JAFFREY,  
Piper, Jaffray & Hopwood.

BUTTE, MONT., April 8, 1949.

HON. BURNET R. MAYBANK,  
*Banking and Currency Committee:*

As a private investment dealer, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

J. A. HOGLE & CO.

ST. LOUIS, Mo., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Senate Office Building:*

We favor section 502 of Federal Housing Act permitting banks to deal in Federal housing bonds.

A. G. EDWARDS & SONS.

RICHMOND, VA., April 9, 1949.

Senator BURNET R. MAYBANK,  
*Senate Banking and Currency Com-  
mittee, Washington, D. C.:*

We urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. As broad a market as possible necessary for financing the large program projected and should lower cost to Federal Government. We are private investment dealers.

F. W. CRAIGLE & CO.

BUTTE, MONT., April 8, 1949.

HON. JAMES E. MURRAY,  
*Senate Office Building:*

As a private investment dealer, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

J. A. HOGLE & CO.

ROCHESTER, N. Y., April 11, 1949.

HON. BURNET R. MAYBANK,  
*Senate Office Building:*

As investment dealers we urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in proposed new housing bonds. Broadest possible market is essential in view of magnitude of program projected.

SAGE, RUTTY & CO., INC.

NEW YORK, N. Y., April 11, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Banking and Currency Com-  
mittee, Senate Office Building:*

As private bankers and municipal-bond dealers we advocate retention of banking amendments in Housing Act of 1949 allowing banks to underwrite and deal in new housing obligations. Broadest possible market is necessary to the Housing Authority and Federal Government for financing this large program at lowest interest cost.

LAIDLAW & CO.

DALLAS, TEX., April 11, 1949.

HON. BURNET R. MAYBANK,  
*Senator, Senate Office Building:*

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

GARRETT & CO.

TOLEDO, OHIO, April 8, 1949.

HON. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

We as private investment dealers strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is not only desirable but absolutely essential for financing the large program projected and should lower interest cost to Federal Government.

RYAN, SUTHERLAND & CO.

PHILADELPHIA, Pa., April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

As private investment dealers we believe banks should be permitted to underwrite and deal in new housing bonds as provided in banking amendment to Housing Act of 1949 to insure broadest possible market and lower costs to Government.

E. W. CLARK & CO.

BOSTON, MASS., April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

As private investment dealers we strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is absolutely essential for financing the large program projected and should definitely lower cost to Federal Government.

BRITTAIN KENNEDY & CO.

CINCINNATI, OHIO, April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

As private investment dealers we strongly urge retention of banking arm in Housing Act for the authorization of banks to underwrite and deal in new housing bonds. Broad distribution is necessary to insure proper financing of the large program projected and wide distribution should definitely lower cost to Federal Government.

DRYDEN & CO., INC.

SAN ANTONIO, TEX., April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new-housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

DITTMAR & CO.  
ELMER A. DITTMAR.

CLEVELAND, OHIO, April 8, 1949.

HON. BURNET R. MAYBANK,  
*Chairman of Banking and Currency  
Committee:*

As private investment dealers, we strongly urge retention of the banking amendments re the Housing Act of 1949 authorizing banks to underwrite and deal in proposed bonds because as broad a market as possible is essential for financing the projected program and provide a lower interest cost to the Federal Government, and ultimately the taxpayer.

THE FIRST CLEVELAND CORP.

TOLEDO, OHIO, April 8, 1949.

HON. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:*

We, as private investment dealers, strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new-housing bonds. Broadest possible market is not only desirable but absolutely essential for financing



the large program projected and should lower interest cost to Federal Government.  
 RYAN, SUTHERLAND & Co.

CLEVELAND, OHIO, April 8, 1949.

BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency, Senate Office Building:*

As investment dealers intending to bid on housing bonds we strongly urge retention of banking amendment which authorizes banks to underwrite and deal in such bonds. It is essential that as broad a market as possible for the large program projected be developed to further the lowest cost to the Federal Government.

CURTISS HOUSE & Co.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency, Senate Office Building:*

As investment dealers we favor retention of section 502 in Housing Act of 1949 which authorizes banks to underwrite and deal in new housing bonds. Because of large financing project a broad distribution of the issue is vital and should result in lower costs to the Federal Government.

LADENBURG, THALMANN & Co.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency, Senate Office Building:*

As private investment dealers we advocate retention of bank amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

NEW YORK HANSEATIC CORP.

DALLAS, TEX., April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Senator, Senate Office Building:*

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

DALLAS UNION TRUST Co.

CINCINNATI, OHIO, April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Chairman, Banking and Commerce Committee,*

*Senate Office Building:*

As Government and municipal bond dealers we urge retaining banking amendment in Federal Housing Act authorizing banks to underwrite and deal in new housing bonds. Nation-wide distribution is needed for this large-scale financing and should result in substantially lower interest costs to the Federal Government.

ASSEL KREIMER & Co.

CLEVELAND, OHIO, April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Senate Office Building:*

As private investment dealers, we strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broad as possible market is essential for financing the large program projected and should definitely lower cost of Federal Government.

BALL, BURGE & KRAUS.

NEW HAVEN, CONN., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Senate Office Building:*

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in the new housing bonds. We feel that broadest possible market is necessary for financing this large program and for lowest cost to the Government.

CHARLES W. SCRANTON & Co.

LOS ANGELES, CALIF., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman of Senate Banking Committee, Senate Office Building:*

As private investment dealers, we advocate retention of section 502 of the Housing Act of 1949 authorizing bank to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower cost to the Federal Government.

WAGENSELLER & DURST, INC.

NEW YORK, N. Y., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Senate Office Building:*

As private investment dealers, we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is essential for successful financing of this large program and will reduce costs to the Federal Government.

SHEARSON HAMMILL & Co.

LOS ANGELES, CALIF., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Senate Banking and Currency Committee:*

As private investment dealers we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower costs to the Federal Government.

PACIFIC CO. OF CALIFORNIA,  
 ROBERT H. PARSONS, President.

DALLAS, TEX., April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Senator, Senate Office Building:*

As private investment dealers, we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

FIRST SOUTHWEST Co.

LOS ANGELES, CALIF., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Senate Banking and Currency Committee, Senate Office Building:*

As private investment dealers we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower costs to the Federal Government.

STERN, FRANK & MEYER.

CINCINNATI, OHIO, April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Banking and Currency Committee, Senate Office Building:*

As private investment dealers we strongly urge retention of banking amendment in Housing Act for authorizing of banks to underwrite and deal in new housing bonds.

Distribution as broad as possible is absolutely essential for financing large program projected and should very definitely lower cost to Federal Government.

WALTER, WOODY & HEIMERDINGER.

ST. PAUL, MINN., April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Committee on Banking and Currency, Senate Office Building:*

As private investment dealer we advocate retention of bank amendment in Housing Act, 1949, authorizing banks to underwrite and deal in new housing bonds. Broadest market possible necessary for financing this large program and to obtain lowest interest cost to Federal Government.

KALMAN & Co., INC.

NASHVILLE, TENN., April 8, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Committee on Banking and Currency, Senate Office Building:*

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. The broadest possible market is absolutely necessary for financing the large program projected and should lower cost to Federal Government.

J. C. BRADFORD & Co.  
 By Q. R. LEDYARD.

NEW YORK, N. Y., April 8, 1949.

Hon. BURNET R. MAYBANK,  
*Chairman, Senate Banking and Currency Committee:*

In re Housing Act of 1949, S. 1070, strongly urge authorization underwriting and dealing by banks in new housing bonds. Broad distribution and active secondary markets essential to success of financing reducing rental costs to tenants and service charges to United States Treasury.

D. W. RICH & Co., INC.,  
 Dealer in United States Government Securities.

DENVER, COLO., April 7, 1949.

Senator BURNET R. MAYBANK,  
*Chairman, Banking and Currency Committee, Senate Office Building:*

As private investment dealers we advocate retention of amendment to Housing Act of 1949 authorizing banks to underwrite and deal in housing bonds. Broadest possible market is necessary in financing large program of this type and will lower cost to Federal Government.

BOETTCHER & Co.

NEW YORK, N. Y., April 7, 1949.

BURNET R. MAYBANK,  
*Chairman, Banking and Currency Committee, Senate Office Building:*

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is essential to successfully finance large program projected and will definitely lower cost to Federal Government.

J. B. ROLL & Co., INC.  
 JOHN B. ROLL, President.

SAN FRANCISCO, CALIF., April 7, 1949.

Senator BURNET MAYBANK,  
*Chairman, Senate Banking and Currency Committee, Senate Office Building, Washington, D. C.:*

As private investment dealers we advocate retention of section 502 of the Housing Act



of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower cost to the Federal Government.

WEEDEN & Co.

DES MOINES, IOWA, April 7, 1949.

BURNET R. MAYBANK,  
Chairman, Banking and Currency,  
Senate Office Building,  
Washington, D. C.:

Recommend retention section 502 Housing Act, 1949, authorizing banks to participate as underwriters.

WHELOCK & CUMMINS, INC.

LITTLE ROCK, ARK., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:

As private investment dealer we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost of Federal Government.

W. R. STEPHENS INVESTMENT Co., INC.

BOSTON, MASS., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Banking and Currency Com-  
mittee, Senate Office Building,  
Washington, D. C.:

As investment dealers, we are in favor of retention of banking amendment in Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. Because of the large amount of this financing in the future, broad distribution of the several issues is vital.

WHITING, WEEKS & STUBBS.

ST. LOUIS, MO., April 7, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Banking and Currency Com-  
mittee, Senate Office Building,  
Washington, D. C.:

Favor passage of section 502, permitting banks to deal in housing bonds, as feel it will give a broader market, resulting in better prices to seller of bonds.

DEMPSEY, TEGELER & Co.

SALT LAKE CITY, UTAH, April 7, 1949.

Senator BURNET R. MAYBANK,  
Senate Office Building,  
Washington, D. C.:

As a private investment dealer, we advocate retention of banking amendment in Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected, and will lower cost to Federal Government.

J. A. HOGLE & Co.

SAN FRANCISCO, CALIF., April 7, 1949.

BURNET R. MAYBANK,  
Chairman, Senate Banking and Cur-  
rency Committee, Senate Office  
Building, Washington, D. C.:

As private investment dealers we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower cost to the Federal Government.

CONRAD BRUCE & Co.

LOS ANGELES, CALIF., April 7, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Senate Banking and Cur-  
rency Committee, Senate Office  
Building, Washington, D. C.:

As private investment dealers we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost to Federal Government.

J. A. HOGLE & Co.,  
SIDNEY B. HOOK.

SAN FRANCISCO, CALIF., April 7, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Senate Banking and Cur-  
rency Committee, Senate Office  
Building, Washington, D. C.:

As private investment dealers we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower cost to the Federal Government.

R. H. MOULTON & Co.

LITTLE ROCK, ARK., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, Senate Office Building,  
Washington, D. C.:

As private investment dealer we advocate retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large program projected and will lower cost of Federal Government.

WOMELDORF & LINDSEY.

SAN FRANCISCO, CALIF., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Senate Banking and Currency  
Committee, Senate Office Building,  
Washington, D. C.:

As private investment dealers, we advocate retention of section 502 of the Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower the cost to the Federal Government.

J. BARTH & Co.

SAN FRANCISCO, CALIF., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Senate Banking and Currency  
Committee, Senate Office Building,  
Washington, D. C.:

As private investment dealers, we advocate retention of section 502 of the Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing the large program projected and will lower cost to Federal Government.

BRUSH, SLOCUMB & Co.,  
SPENCER BRUSH,  
President.

SAN FRANCISCO, CALIF., April 7, 1949.

Senator BURNET R. MAYBANK,  
Chairman, Senate Banking and Currency  
Committee, Senate Office Building,  
Washington, D. C.:

As private investment dealer we advocate retention section 502 of Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible distribution is essential for financing a large

program projected and will lower cost to Federal Government.

KAISER & Co.

CLEVELAND, OHIO, April 8, 1949

HON. BURNET R. MAYBANK,  
Senate Office Building,  
Washington, D. C.:

As private investment dealers, we strongly urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broad as possible market is essential for financing the large program projected and should definitely lower cost of Federal Government.

FIELD, RICHARDS & Co.

CLEVELAND, OHIO, April 8, 1949.

HON. BURNET R. MAYBANK,  
Senate Office Building,  
Washington, D. C.:

We believe broadest possible market essential for financing large Federal housing program and as private investment dealers we strongly urge retention of banking amendment enabling banks to underwrite and deal in new housing bonds.

MERRILL, TURBEN & Co.

BIRMINGHAM, ALA., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, United States Senate, Wash-  
ington, D. C.:

As private investment dealers, we advocate retention of banking amendment of housing act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large programs projected and will lower costs to Federal Government.

MAEX & Co.

CHICAGO, ILL., April 7, 1949.

Senator B. R. MAYBANK,  
Senate Office Building, Washington,  
D. C.:

As private investment bankers, we recommend banking amendment to the public housing bill, allowing banks to buy and sell proposed housing bonds. This will give issue widest possible distribution and should lower financing cost for Federal Government.

STIFEL, NICOLAUS & Co.

BIRMINGHAM, ALA., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, United States Senate, Wash-  
ington, D. C.:

As private investment dealers we advocate retention of banking amendment of housing act of 1949 authorizing banks to underwrite and deal in new housing bonds. Broadest possible market is necessary for financing large programs projected and will lower cost to Federal Government.

WATKINS, MORROW & Co.

SAN FRANCISCO, April 8, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Senate Banking and Cur-  
rency Committee, Senate Office  
Building, Washington, D. C.:

We plan to participate in distributing the housing bonds to be authorized by the Housing Act of 1949. In that authorization we believe that section 502 should be retained. We believe that distribution will be strengthened if the banks are included as author-



ized underwriters and dealers. Their distribution could lower the underwriting costs to the issuing agency.

MITCHEM TULLY & Co.,  
Investment bankers.

CHICAGO, ILL., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, United States Senate,  
Washington, D. C.:

As a small investment dealer, we hope that the banking amendment in the Housing Act of 1949, authorizing banks to underwrite and deal in new housing bonds will be retained. The banks will treat us better than the big investment dealers, and the Government will get their money at a lower cost.

KETCHAM & NONGARD,  
ROY D. O'BRIEN.

CHICAGO, ILL., April 7, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Banking and Currency  
Committee, United States Senate,  
Washington, D. C.:

We are small private investment dealers in municipal bonds. Have been in business since 1932. Are anxious to assist the United States Government in financing large Federal housing program at the lowest possible cost. It is our firm belief this can best be done by the retention of the banking amendment in the Housing Act of 1949, which will authorize banks to underwrite and deal in the new housing bonds.

JOHN W. CLARKE, INC.

CLEVELAND, OHIO, April 9, 1949.

HON. BURNET R. MAYBANK,  
Chairman, Committee on Banking and  
Currency, United States Senate,  
Washington, D. C.:

As investment dealers, we urge retention of banking amendment in Housing Act of 1949 authorizing banks to underwrite and deal in proposed new housing bonds. Broadest possible market is essential in view of magnitude of program projected.

Bank experience and familiarity with distribution of other tax-exempt securities should contribute to securing greatest possible breadth and strength for market for new tax-exempt housing bonds and should aid in securing lowest cost of program to Federal Government.

MAYNARD H. MURCH & Co.,  
R. C. CHAPMAN.

NEW YORK, N. Y., April 8, 1949.

HON. BURNET R. MAYBANK,  
Senate Office Building:

As private investment dealers, it is our judgment that section 502 in the Housing Act of 1949, which authorizes banks to underwrite and deal in new housing bonds should be retained. With the large volume of financing for this proposed purpose, we believe it will be essential to include the banks as dealers to obtain broad and satisfactory distribution. We believe this section is vital to the Federal Government.

HANNAHS, BALLIN & LEE.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. SPARKMAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Wyoming [Mr. HUNT], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. McKELLAR], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], the Senators from Maryland [Mr. O'CONOR and Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from California [Mr. DOWNEY] is absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH] are absent on public business.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent, by leave of the Senate, on official business.

The Senator from Virginia [Mr. BYRD] is paired on this vote with the Senator from Illinois [Mr. LUCAS]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Illinois would vote "yea."

The Senator from Maryland [Mr. O'CONOR] is paired on this vote with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Maine would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Wisconsin would vote "yea."

The Senator from Texas [Mr. CONNALLY] has a general pair with the Senator from Georgia [Mr. GEORGE].

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from Wyoming [Mr. HUNT], the Senator from Nevada [Mr. McCARRAN], the Senator from Tennessee [Mr. McKELLAR], the Senator from Idaho [Mr. MILLER], the Senator from Montana [Mr. MURRAY], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent by leave of the Senate and is paired with the Senator from Missouri [Mr. KEM], who is absent by leave of the Senate. If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea," and the Senator from Missouri [Mr. KEM] would vote "nay."

The Senator from Maine [Mrs. SMITH] is absent on official business, and is paired with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate, on official business, and is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Utah [Mr. WATKINS] is detained on official business.

The Senator from Kansas [Mr. REED] is detained on official business, and is paired with the Senator from New Jersey [Mr. SMITH], who is unavoidably detained. If present and voting, the Senator from Kansas [Mr. REED] would vote "nay," and the Senator from New Jersey [Mr. SMITH] would vote "yea."

The result was announced—yeas 57, nays 13, as follows:

#### YEAS—57

Anderson	Humphrey	Morse
Baldwin	Ives	Myers
Brewster	Jenner	Neely
Bridges	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Russell
Donnell	Kefauver	Saltonstall
Douglas	Kerr	Schoeppel
Ellender	Kilgore	Sparkman
Ferguson	Langer	Stennis
Flanders	Lodge	Taft
Frear	Long	Taylor
Fulbright	McCarthy	Thomas, Okla.
Hayden	McFarland	Thomas, Utah
Hendrickson	McMahon	Thye
Hickenlooper	Magnuson	Tobey
Hill	Malone	Vandenberg
Hoey	Martin	Withers
Holland	Maybank	Young

#### NAYS—13

Bricker	Gurney	Robertson
Butler	Knowland	Wherry
Cain	McClellan	Williams
Cordon	Millikin	
Ecton	Mundt	

#### NOT VOTING—26

Aiken	Green	O'Conor
Byrd	Hunt	Reed
Chavez	Kem	Smith, Maine
Connally	Lucas	Smith, N. J.
Downey	McCarran	Tydings
Eastland	McGrath	Wagner
George	McKellar	Watkins
Gillette	Miller	Wiley
Graham	Murray	

So the bill S. 1070 was passed.

#### AMENDMENT OF COMMODITY CREDIT CORPORATION AND STRATEGIC STOCK PILING ACTS

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate proceed to the consideration of Calendar 108, Senate bill 900, known as the Commodity Credit Corporation amendment bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma that the Senate proceed to the consideration of Senate bill 900.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments.

# S. 1070

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## IN THE SENATE OF THE UNITED STATES

APRIL 21 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. CAIN (for himself and Mr. BRICKER) to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, viz: Page 46, strike out lines 6 to 8, inclusive, and insert in lieu thereof the following:

- 1 (d) By adding at the end of the proviso in subsection
- 2 10 (a) and the proviso in subsection 11 (a) in each case a
- 3 colon and the following: "*Provided further*, That no project
- 4 shall be assisted under this Act unless there shall be in force
- 5 and effect an ordinance or other local law prohibiting the
- 6 use and operation for residential purposes of property which



1 is unfit, unsanitary, or otherwise detrimental to the public  
 2 health and the Authority shall determine that, under the  
 3 provisions of such ordinance or other local law, and within  
 4 one year after the project shall be first available for occu-  
 5 pancy, dwelling units substantially equal in number to the  
 6 number of dwelling units in the project will be demolished  
 7 or rehabilitated."

81ST CONGRESS  
 1ST SESSION

S. 1070

## AMENDMENT

Intended to be proposed by Mr. CAIRN (for him-  
 self and Mr. BRUCKER) to the bill (S. 1070)  
 to establish a national housing objective and  
 the policy to be followed in the attainment  
 thereof, to provide Federal aid to assist  
 slum-clearance projects and low-rent public  
 housing projects initiated by local agencies,  
 to provide for financial assistance by the  
 Secretary of Agriculture for farm housing,  
 and for other purposes.

APRIL 21 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed







81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1070

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IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 1949

Referred to the Committee on Banking and Currency

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## AN ACT

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That this Act may be cited as the "Housing Act of 1949".

4             DECLARATION OF NATIONAL HOUSING POLICY

5             SEC. 2. The Congress hereby declares that the general  
6     welfare and security of the Nation and the health and living  
7     standards of its people require housing production and re-  
8     lated community development sufficient to remedy the seri-  
9     ous housing shortage, the elimination of substandard and



1 other inadequate housing through the clearance of slums  
2 and blighted areas, and the realization as soon as feasible of  
3 the goal of a decent home and a suitable living environment  
4 for every American family, thus contributing to the develop-  
5 ment and redevelopment of communities and to the ad-  
6 vancement of the growth, wealth, and security of the  
7 Nation. The Congress further declares that such production  
8 is necessary to enable the housing industry to make its full  
9 contribution toward an economy of maximum employment,  
10 production, and purchasing power. The policy to be followed  
11 in attaining the national housing objective hereby established  
12 shall be: (1) private enterprise shall be encouraged to  
13 serve as large a part of the total need as it can; (2) gov-  
14 ernmental assistance shall be utilized where feasible to enable  
15 private enterprise to serve more of the total need; (3) ap-  
16 propriate local public bodies shall be encouraged and as-  
17 sisted to undertake positive programs of encouraging and  
18 assisting the development of well-planned, integrated resi-  
19 dential neighborhoods, the development and redevelopment  
20 of communities, and the production, at lower costs, of housing  
21 of sound standards of design, construction, livability, and  
22 size for adequate family life; (4) governmental assist-  
23 ance to eliminate substandard and other inadequate  
24 housing through the clearance of slums and blighted  
25 areas, to facilitate community development and redevelop-

1 ment, and to provide adequate housing for urban and  
2 rural nonfarm families with incomes so low that they  
3 are not being decently housed in new or existing hous-  
4 ing shall be extended to those localities which estimate  
5 their own needs and demonstrate that these needs are not  
6 being met through reliance solely upon private enterprise,  
7 and without such aid; and (5) governmental assistance  
8 for decent, safe, and sanitary farm dwellings and related  
9 facilities shall be extended where the farm owner dem-  
10 onstrates that he lacks sufficient resources to provide  
11 such housing on his own account and is unable to secure  
12 necessary credit for such housing from other sources on  
13 terms and conditions which he could reasonably be expected  
14 to fulfill. The Housing and Home Finance Agency and its  
15 constituent agencies, and any other departments or agencies  
16 of the Federal Government having powers, functions, or  
17 duties with respect to housing, shall exercise their powers,  
18 functions, and duties under this or any other law, consistently  
19 with the national housing policy declared by this Act and  
20 in such manner as will facilitate sustained progress in attain-  
21 ing the national housing objective hereby established, and  
22 in such manner as will encourage and assist (1) the produc-  
23 tion of housing of sound standards of design, construction,  
24 livability, and size for adequate family life; (2) the reduction  
25 of the costs of housing without sacrifice of such sound stand-



ards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence,

1 in such community, of slums and blighted areas through  
2 the adoption, improvement, and modernization of local  
3 codes and regulations relating to land use and adequate  
4 standards of health, sanitation, and safety for dwell-  
5 ing accommodations; and

6 (b) encourage the operations of such local public  
7 agencies as are established on a State, or regional  
8 (within a State), or unified metropolitan basis or as  
9 are established on such other basis as permits such  
10 agencies to contribute effectively toward the solution  
11 of community development or redevelopment problems  
12 on a State, or regional (within a State), or unified  
13 metropolitan basis.

#### 14 LOANS

15 SEC. 102. (a) To assist local communities in eliminating  
16 their slums and blighted areas and in providing maximum  
17 opportunity for the redevelopment of project areas by  
18 private enterprise, the Administrator may make temporary  
19 and definitive loans to local public agencies for the under-  
20 taking of projects for the assembly, clearance, preparation,  
21 and sale and lease of land for redevelopment. Such loans  
22 (outstanding at any one time) shall be in such amounts  
23 not exceeding the expenditures to be made by the local  
24 public agency as part of the gross project cost, bear in-  
25 terest at such rate (not less than the applicable going



1 Federal rate), be secured in such manner, and be repaid  
2 within such period (not exceeding, in the case of definitive  
3 loans, forty years from the date of the bonds evidenc-  
4 ing such loans), as may be deemed advisable by the  
5 Administrator.

6 (b) In connection with any project on land which is  
7 open or predominantly open, the Administrator may make  
8 temporary loans to municipalities or other public bodies for  
9 the provision of public buildings or facilities necessary to  
10 serve or support the new uses of land in the project area.  
11 Such temporary loans shall be in such amounts not exceeding  
12 the expenditures to be made for such purpose, bear interest  
13 at such rate (not less than the applicable going Federal  
14 rate), be secured in such manner, and be repaid within such  
15 period (not exceeding ten years from the date of the obliga-  
16 tions evidencing such loans), as may be deemed advisable by  
17 the Administrator.

18 (c) Loans made pursuant to subsection (a) or (b)  
19 hereof may be made subject to the condition that, if at any  
20 time or times or for any period or periods during the life  
21 of the loan contract the local public agency can obtain loan  
22 funds from sources other than the Federal Govern-  
23 ment at interest rates lower than provided in the loan  
24 contract, it may do so with the consent of the Admin-  
25 istrator at such times and for such periods without waiving

1 or surrendering any rights to loan funds under the contract  
2 for the remainder of the life of such contract, and, in any  
3 such case, the Administrator is authorized to consent to a  
4 pledge by the local public agency of the loan contract,  
5 and any or all of its rights thereunder, as security for the  
6 repayment of the loan funds so obtained from other sources.

7 (d) The Administrator may make advances of funds  
8 to local public agencies for surveys and plans in prepa-  
9 ration of projects which may be assisted under this title, and  
10 the contracts for such advances of funds may be made  
11 upon the condition that such advances of funds shall  
12 be repaid, with interest at not less than the applicable going  
13 Federal rate, out of any moneys which become available  
14 to such agency for the undertaking of the project or projects  
15 involved.

16 (e) To obtain funds for loans under this title, the  
17 Administrator, on and after July 1, 1949, may, with the  
18 approval of the President, issue and have outstanding at  
19 any one time notes and obligations for purchase by the Sec-  
20 retary of the Treasury in an amount not to exceed \$25,-  
21 000,000, which limit on such outstanding amount shall be  
22 increased by \$225,000,000 on July 1, 1950, and by further  
23 amounts of \$250,000,000 on July 1 in each of the years  
24 1951, 1952, and 1953, respectively: *Provided*, That (sub-  
25 ject to the total authorization of not to exceed \$1,000,-



1 000,000) such limit, and any such authorized increase  
2 therein, may be increased, at any time or times, by additional  
3 amounts aggregating not more than \$250,000,000 upon a  
4 determination by the President, after receiving advice from  
5 the Council of Economic Advisers as to the general effect of  
6 such increase upon the conditions in the building industry  
7 and upon the national economy, that such action is in the  
8 public interest.

9 (f) Notes or other obligations issued by the Admin-  
10 istrator under this title shall be in such forms and denom-  
11 inations, have such maturities, and be subject to such terms  
12 and conditions as may be prescribed by the Administrator,  
13 with the approval of the Secretary of the Treasury. Such  
14 notes or other obligations shall bear interest at a rate de-  
15 termined by the Secretary of the Treasury, taking into  
16 consideration the current average rate on outstanding mar-  
17 ketable obligations of the United States as of the last day  
18 of the month preceding the issuance of such notes or other  
19 obligations. The Secretary of the Treasury is authorized  
20 and directed to purchase any notes and other obligations  
21 of the Administrator issued under this title and for such  
22 purpose is authorized to use as a public debt transaction the  
23 proceeds from the sale of any securities issued under the  
24 Second Liberty Bond Act, as amended, and the purposes  
25 for which securities may be issued under such Act, as

1 amended, are extended to include any purchases of such  
2 notes and other obligations. The Secretary of the Treas-  
3 ury may at any time sell any of the notes or other obli-  
4 gations acquired by him under this section. All redemp-  
5 tions, purchases, and sales by the Secretary of the Treasury  
6 of such notes or other obligations shall be treated as pub-  
7 lic debt transactions of the United States.

8 (g) Obligations, including interest thereon, issued by  
9 local public agencies for projects assisted pursuant to this  
10 title, and income derived by such agencies from such projects,  
11 shall be exempt from all taxation now or hereafter imposed  
12 by the United States.

#### 13 CAPITAL GRANTS

14 SEC. 103. (a) The Administrator may make capital  
15 grants to local public agencies to enable such agencies to  
16 make land in project areas available for redevelopment at  
17 its fair value for the uses specified in the redevelopment  
18 plans: *Provided*, That the Administrator shall not make any  
19 contract for capital grant with respect to a project which  
20 consists of open unplatted urban or suburban land. The  
21 aggregate of such capital grants with respect to all the  
22 projects of a local public agency on which contracts for  
23 capital grants have been made under this title shall not  
24 exceed two-thirds of the aggregate of the net project costs



1 of such projects, and the capital grants with respect to any  
2 individual project shall not exceed the difference between  
3 the net project cost and the local grants-in-aid actually made  
4 with respect to the project.

5 (b) The Administrator, on and after July 1, 1949,  
6 may, with the approval of the President, contract to make  
7 capital grants, with respect to projects assisted under this  
8 title, aggregating not to exceed \$100,000,000, which limit  
9 shall be increased by further amounts of \$100,000,000 on  
10 July 1 in each of the years 1950, 1951, 1952, and 1953,  
11 respectively: *Provided*, That (subject to the total authoriza-  
12 tion of not to exceed \$500,000,000) such limit, and any such  
13 authorized increase therein, may be increased, at any time  
14 or times, by additional amounts aggregating not more than  
15 \$100,000,000 upon a determination by the President, after  
16 receiving advice from the Council of Economic Advisers as  
17 to the general effect of such increase upon the conditions in  
18 the building industry and upon the national economy, that  
19 such action is in the public interest. The faith of the United  
20 States is solemnly pledged to the payment of all capital  
21 grants contracted for under this title, and there are hereby  
22 authorized to be appropriated, out of any money in the Treas-  
23 ury not otherwise appropriated, the amounts necessary to  
24 provide for such payments.

## 1            REQUIREMENTS FOR LOCAL GRANTS-IN-AID

2            SEC. 104. Every contract for capital grant under this  
3 title shall require local grants-in-aid in connection with the  
4 project involved which, together with the local grants-in-aid  
5 to be provided in connection with all other projects of the  
6 local public agency on which contracts for capital grants  
7 have theretofore been made, will be at least equal to one-  
8 third of the aggregate net project costs involved (it being  
9 the purpose of this provision and section 103 to limit the  
10 aggregate of the capital grants made by the Administrator  
11 with respect to all the projects of a local public agency on  
12 which contracts for capital grants have been made under  
13 this title to an amount not exceeding two-thirds of the dif-  
14 ference between the aggregate of the gross project costs of  
15 all such projects and the aggregate of the total sales prices  
16 and capital values referred to in section 110 (f) of land in  
17 such projects).

## 18            LOCAL DETERMINATIONS

19            SEC. 105. Contracts for financial aid shall be made only  
20 with a duly authorized local public agency and shall require  
21 that—

22            (a) The redevelopment plan for the project area  
23            be approved by the governing body of the locality  
24            in which the project is situated, and that such approval



1 include findings by the governing body that (i) the  
2 financial aid to be provided in the contract is necessary  
3 to enable the land in the project area to be redeveloped  
4 in accordance with the redevelopment plan; (ii) the  
5 redevelopment plans for the redevelopment areas in the  
6 locality will afford maximum opportunity, consistent  
7 with the sound needs of the locality as a whole, for the  
8 redevelopment of such areas by private enterprise; and  
9 (iii) the redevelopment plan conforms to a general  
10 plan for the development of the locality as a whole;

11 (b) When land acquired or held by the local public  
12 agency in connection with the project is sold or leased,  
13 the purchasers or lessees shall be obligated (i) to devote  
14 such land to the uses specified in the redevelopment plan  
15 for the project area; (ii) to begin the building of their  
16 improvements on such land within a reasonable time;  
17 and (iii) to comply with such other conditions as the  
18 Administrator finds, prior to the execution of the con-  
19 tract for loan or capital grant pursuant to this title, are  
20 necessary to carry out the purposes of this title;

21 (c) There be a feasible method for the temporary  
22 relocation of families displaced from the project area,  
23 and that there are or are being provided, in the project  
24 area or in other areas not generally less desirable in  
25 regard to public utilities and public and commercial

1 facilities and at rents or prices within the financial  
2 means of the families displaced from the project area,  
3 decent, safe, and sanitary dwellings equal in number to  
4 the number of and available to such displaced families  
5 and reasonably accessible to their places of employment:  
6 *Provided*, That in view of the existing acute housing  
7 shortage, each such contract entered into prior to July  
8 1, 1951, shall further provide that there shall be no  
9 demolition of residential structures in connection with  
10 the project assisted under the contract prior to July 1,  
11 1951, if the local governing body determines that the  
12 demolition thereof would reasonably be expected to  
13 create undue housing hardship in the locality.

14 (d) No land for any project to be assisted under  
15 this title shall be acquired by the local public agency  
16 except after public hearing following notice of the date,  
17 time, place, and purpose of such hearing published not  
18 less than ten nor more than twenty days prior to the  
19 date of such hearing.

#### 20 GENERAL PROVISIONS

21 SEC. 106. (a) In the performance of, and with respect  
22 to, the functions, powers, and duties vested in him by this  
23 title, the Administrator, notwithstanding the provisions of  
24 any other law, shall—

25 (1) appoint a Director to administer the provisions



1 of this title under the direction and supervision of the  
2 Administrator and the basic rate of compensation of such  
3 position shall be the same as the basic rate of compensa-  
4 tion established for the heads of the constituent agencies  
5 of the Housing and Home Finance Agency;

6 (2) prepare annually and submit a budget program  
7 as provided for wholly owned Government corporations  
8 by the Government Corporation Control Act, as  
9 amended;

10 (3) maintain an integral set of accounts which shall  
11 be audited annually by the General Accounting Office  
12 in accordance with the principles and procedures appli-  
13 cable to commercial transactions as provided by the  
14 Government Corporation Control Act, as amended, and  
15 no other audit shall be required: *Provided*, That such  
16 financial transactions of the Administrator as the mak-  
17 ing of advances of funds, loans, or capital grants and  
18 vouchers approved by the Administrator in connection  
19 with such financial transactions shall be final and  
20 conclusive upon all officers of the Government; and

21 (4) make an annual report to the President, for  
22 transmission to the Congress, to be submitted as soon as  
23 practicable following the close of the year for which  
24 such report is made.

25 (b) Funds made available to the Administrator pur-

1 suant to the provisions of this title shall be deposited in a  
2 checking account or accounts with the Treasurer of the  
3 United States. Receipts and assets obtained or held by the  
4 Administrator in connection with the performance of his  
5 functions under this title shall be available for any of the  
6 purposes of this title (except for capital grants pursuant to  
7 section 103 hereof), and all funds available for carrying out  
8 the functions of the Administrator under this title (including  
9 appropriations therefor, which are hereby authorized), shall  
10 be available, in such amounts as may from year to year be  
11 authorized by the Congress, for the administrative expenses  
12 of the Administrator in connection with the performance of  
13 such functions.

14 (c) In the performance of, and with respect to, the  
15 functions, powers, and duties vested in him by this title, the  
16 Administrator, notwithstanding the provisions of any other  
17 law, may—

18 (1) sue and be sued;

19 (2) foreclose on any property or commence any  
20 action to protect or enforce any right conferred upon him  
21 by any law, contract, or other agreement, and bid for  
22 and purchase at any foreclosure or any other sale any  
23 project or part thereof in connection with which he has  
24 made a loan or capital grant pursuant to this title. In  
25 the event of any such acquisition, the Administrator



1        may, notwithstanding any other provision of law relating  
2        to the acquisition, handling, or disposal of real property  
3        by the United States, complete, administer, dispose of,  
4        and otherwise deal with, such project or part thereof:  
5        *Provided*, That any such acquisition of real property  
6        shall not deprive any State or political subdivision  
7        thereof of its civil jurisdiction in and over such property  
8        or impair the civil rights under the State or local laws  
9        of the inhabitants on such property;

10            (3) enter into agreements to pay annual sums in  
11        lieu of taxes to any State or local taxing authority with  
12        respect to any real property so acquired or owned, and  
13        such sums shall approximate the taxes which would be  
14        paid upon such property to the State or local taxing  
15        authority, as the case may be, if such property were  
16        not exempt from taxation;

17            (4) sell or exchange at public or private sale, or  
18        lease, real or personal property, and sell or exchange any  
19        securities or obligations, upon such terms as he may fix;

20            (5) obtain insurance against loss in connection with  
21        property and other assets held;

22            (6) subject to the specific limitations in this title,  
23        consent to the modification, with respect to rate of inter-  
24        est, time of payment of any installment of principal  
25        or interest, security, amount of capital grant, or any

1 other term, of any contract or agreement to which he is  
2 a party or which has been transferred to him pursuant  
3 to this title; and

4 (7) include in any contract or instrument made  
5 pursuant to this title such other covenants, conditions,  
6 or provisions (including such covenants, conditions, or  
7 provisions as, in the determination of the Administrator,  
8 are necessary or desirable to prevent the payment of  
9 excessive prices for the acquisition of land in connec-  
10 tion with projects assisted under this title) as he may  
11 deem necessary to assure that the purposes of this title  
12 will be achieved. No provision of this title shall be  
13 construed or administered to permit speculation in land  
14 holding.

15 (d) Section 3709, as amended, of the Revised Statutes  
16 shall not apply to any contract for services or supplies on  
17 account of any property acquired pursuant to this title if the  
18 amount of such contract does not exceed \$1,000.

19 (e) Not more than 10 per centum of the funds pro-  
20 vided for in this title, either in the form of loans or grants,  
21 shall be expended in any one State.

22 PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

23 SEC. 107. If the land for a low-rent housing project  
24 assisted under the United States Housing Act of 1937, as



1 amended, is made available from a project assisted under  
2 this title, payment equal to the fair value of the land for the  
3 uses specified in accordance with the redevelopment plan  
4 shall be made therefor by the public housing agency under-  
5 taking the housing project, and such amount shall be included  
6 as part of the development cost of the low-rent housing  
7 project.

8                   SURPLUS FEDERAL REAL PROPERTY

9       SEC. 108. The President may at any time in his dis-  
10 cretion, transfer, or cause to be transferred, to the Admin-  
11 istrator any right, title, or interest held by the Federal  
12 Government or any department or agency thereof in any  
13 land (including buildings thereon) which is surplus to the  
14 needs of the Government and which a local public agency  
15 certifies will be within the area of a project being planned  
16 by it. When such land is sold to the local public agency by  
17 the Administrator, it shall be sold at a price equal to its  
18 fair market value, and the proceeds from such sale shall be  
19 covered into the Treasury as miscellaneous receipts.

20                   PROTECTION OF LABOR STANDARDS

21       SEC. 109. In order to protect labor standards—

22           (a) Any contract for financial aid pursuant to  
23 this title shall contain a provision requiring that not less  
24 than the wages or fees prevailing in the locality, as deter-  
25 mined or adopted (subsequent to a determination under

1 applicable State or local law) by the Administrator,  
2 shall be paid to all architects, technical engineers, drafts-  
3 men, technicians, laborers, and mechanics employed in  
4 the development of the project involved; and the Admin-  
5 istrator may require certification as to compliance with  
6 the provisions of this paragraph prior to making any  
7 payment under such contract;

8 (b) The provisions of title 18, U. S. C., section  
9 874, and of title 40, U. S. C., section 276c, shall apply  
10 to any project financed in whole or in part with funds  
11 made available pursuant to this title;

12 (c) Any contractor engaged on any project fi-  
13 nanced in whole or in part with funds made available  
14 pursuant to this title shall report monthly to the Secre-  
15 tary of Labor, and shall cause all subcontractors to report  
16 in like manner, within five days after the close of each  
17 month and on forms to be furnished by the United States  
18 Department of Labor, as to the number of persons on  
19 their respective pay rolls on the particular project, the  
20 aggregate amount of such pay rolls, the total man-hours  
21 worked, and itemized expenditures for materials. Any  
22 such contractor shall furnish to the Department of Labor  
23 the names and addresses of all subcontractors on the  
24 work at the earliest date practicable.



## DEFINITIONS

2        SEC. 110. The following terms shall have the meanings,  
3    respectively, ascribed to them below, and, unless the context  
4    clearly indicates otherwise, shall include the plural as well as  
5    the singular number:

(a) “Redevelopment area” means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed

1 or redeveloped for predominantly residential uses, or (iii)  
2 platted urban or suburban land which is predominantly open  
3 and which because of obsolete platting, diversity of owner-  
4 ship, deterioration of structures or of site improvements, or  
5 otherwise substantially impairs or arrests the sound growth  
6 of the community and which is to be developed for predomi-  
7 nantly residential uses, or (iv) open unplatted urban or  
8 suburban land necessary for sound community growth which  
9 is to be developed for predominantly residential uses (in  
10 which event the project thereon, as provided in the proviso  
11 of section 103 (a) hereof, shall not be eligible for any capi-  
12 tal grant); (2) demolition and removal of buildings and  
13 improvements; (3) installation, construction, or reconstruc-  
14 tion of streets, utilities, and other site improvements  
15 essential to the preparation of sites for uses in accordance  
16 with the redevelopment plan; and (4) making the land  
17 available for development or redevelopment by private  
18 enterprise or public agencies (including sale, initial leasing,  
19 or retention by the local public agency itself) at its fair value  
20 for uses in accordance with the redevelopment plan. For the  
21 purposes of this title, the term "project" shall not include the  
22 construction of any of the buildings contemplated by the  
23 redevelopment plan, and the term "redevelopment" and  
24 derivatives thereof shall mean develop as well as redevelop.  
25 For any of the purposes of section 109 hereof, the term



1 "project" shall not include any donations or provisions made  
2 as local grants-in-aid and eligible as such pursuant to clauses  
3 (2) and (3) of section 110 (d) hereof.

4 (d) "Local grants-in-aid" shall mean assistance by a  
5 State, municipality, or other public body, or any other entity,  
6 in connection with any project on which a contract for capital  
7 grant has been made under this title, in the form of (1) cash  
8 grants; (2) donations, at cash value, of land (exclusive of  
9 land in streets, alleys, and other public rights-of-way which  
10 may be vacated in connection with the project), and demo-  
11 lition or removal work, or site improvements in the project  
12 area, at their cost; and (3) the provision, at their cost, of  
13 parks, playgrounds, and public buildings or facilities (other  
14 than low-rent public housing) which are primarily of direct  
15 benefit to the project and which are necessary to serve or  
16 support the new uses of land in the project area in accord-  
17 ance with the redevelopment plan: *Provided*, That, in any  
18 case where, in the determination of the Administrator, any  
19 park, playground, public building, or facility is of direct and  
20 substantial benefit both to the project and to other areas,  
21 the Administrator shall provide that, for the purpose of com-  
22 puting the amount of the local grants-in-aid for such project,  
23 there shall be included an allowance of an appropriate por-  
24 tion (as determined by the Administrator) of the cost of such  
25 park, playground, public building, or facility. No demolition

1 or removal work, improvement, or facility for which a State,  
2 municipality, or other public body has received or has con-  
3 tracted to receive any grant or subsidy from the United  
4 States, or any agency or instrumentality thereof, for such  
5 work, or the construction of such improvement or facility,  
6 shall be eligible for inclusion as a local grant-in-aid in con-  
7 nection with a project or projects assisted under this title.

8 (e) "Gross project cost" shall comprise (1) the amount  
9 of the expenditures by the local public agency with respect  
10 to any and all undertakings necessary to carry out the  
11 project (including the payment of carrying charges, but  
12 not beyond the point where the project is completed), and  
13 (2) the amount of such local grants-in-aid as are furnished  
14 in forms other than cash.

15 (f) "Net project cost" shall mean the difference be-  
16 tween the gross project cost and the aggregate of (1) the  
17 total sales prices of all land sold, and (2) the total capital  
18 values (i) imputed, on a basis approved by the Adminis-  
19 trator, to all land leased, and (ii) used as a basis for deter-  
20 mining the amounts to be transferred to the project from  
21 other funds of the local public agency to compensate for any  
22 land retained by it for use in accordance with the redevelop-  
23 ment plan.

24 (g) "Going Federal rate" means the annual rate of  
25 interest (or, if there shall be two or more such rates of in-



1 terest, the highest thereof) specified in the most recently  
2 issued bonds of the Federal Government having a maturity  
3 of ten years or more, determined at the date the contract for  
4 advance of funds or for loan is made. Any contract for  
5 loan made may be revised or superseded by a later contract,  
6 so that the going Federal rate, on the basis of which the  
7 interest rate on the loan is fixed, shall mean the going Fed-  
8 eral rate, as herein defined, on the date that such contract  
9 is revised or superseded by such later contract.

10 (h) "Local public agency" means any State, county,  
11 municipality, or other governmental entity or public body  
12 which is authorized to undertake the project for which assist-  
13 ance is sought. "State" includes the several States, the Dis-  
14 trict of Columbia, and the Territories, dependencies, and  
15 possessions of the United States.

16 (i) "Administrator" means the Housing and Home  
17 Finance Administrator.

## 18 TITLE II—LOW-RENT PUBLIC HOUSING

### 19 LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY

#### 20 ONLY BY LOW-INCOME FAMILIES

21 SEC. 201. The United States Housing Act of 1937, as  
22 amended, is hereby amended by adding the following addi-  
23 tional subsections to section 15:

24 "(7) In recognition that there should be local deter-

1 mination of the need for low-rent housing to meet needs  
2 not being adequately met by private enterprise—

3 “(a) the Authority shall not make any contract  
4 with a public housing agency for preliminary loans (all  
5 of which shall be repaid out of any moneys which be-  
6 come available to such agency for the development of  
7 the projects involved) for surveys and planning in  
8 respect to any low-rent housing projects initiated after  
9 March 1, 1949, (i) unless the governing body of the  
10 locality involved has by resolution approved the appli-  
11 cation of the public housing agency for such preliminary  
12 loan; and (ii) unless the public housing agency has  
13 demonstrated to the satisfaction of the Authority that  
14 there is a need for such low-rent housing which is not  
15 being met by private enterprise; and

16 “(b) the Authority shall not make any contract for  
17 loans (other than preliminary loans) or for annual con-  
18 tributions pursuant to this Act with respect to any low-  
19 rent housing project initiated after March 1, 1949, (i)  
20 unless the governing body of the locality involved has  
21 entered into an agreement with the public housing agency  
22 providing for the local cooperation required by the  
23 Authority pursuant to this Act; and (ii) unless the



1 public housing agency has demonstrated to the satisfac-  
2 tion of the Authority that a gap of at least 20 per centum  
3 has been left between the upper rental limits for admis-  
4 sion to the proposed low-rent housing and the lowest  
5 rents at which private enterprise unaided by public  
6 subsidy is providing (through new construction and  
7 available existing structures) a substantial supply of  
8 decent, safe, and sanitary housing toward meeting the  
9 need of an adequate volume thereof.

10 “(8) Every contract made pursuant to this Act for  
11 annual contributions for any low-rent housing project initi-  
12 ated after March 1, 1949, shall provide that—

13 “(a) the public housing agency shall fix maximum  
14 income limits for the admission and for the continued  
15 occupancy of families in such housing, that such maxi-  
16 mum income limits and all revisions thereof shall be  
17 subject to the prior approval of the Authority, and that  
18 the Authority may require the public housing agency  
19 to review and to revise such maximum income limits if  
20 the Authority determines that changed conditions in the  
21 locality make such revisions necessary in achieving the  
22 purposes of this Act;

23 “(b) a duly authorized official of the public housing  
24 agency involved shall make periodic written statements  
25 to the Authority that an investigation has been made

1 of each family admitted to the low-rent housing project  
2 involved during the period covered thereby, and that,  
3 on the basis of the report of said investigation, he has  
4 found that each such family at the time of its admission  
5 (i) had a net family income not exceeding the maximum  
6 income limits theretofore fixed by the public housing  
7 agency (and approved by the Authority) for admis-  
8 sion of families of low income to such housing; and  
9 (ii) lived in an unsafe, insanitary, or overcrowded  
10 dwelling, or was to be displaced by another low-rent  
11 housing project or by a public slum-clearance or rede-  
12 velopment project, or actually was without housing,  
13 or was about to be without housing as a result  
14 of a court order of eviction, due to causes other  
15 than the fault of the tenant: *Provided*, That the re-  
16 quirement in (ii) shall not be applicable in the case  
17 of the family of any veteran or serviceman (or of any  
18 deceased veteran or serviceman) where application for  
19 admission to such housing is made not later than five  
20 years after March 1, 1949;

21 “(c) in the selection of tenants (i) the public  
22 housing agency shall not discriminate against families,  
23 otherwise eligible for admission to such housing, because  
24 their incomes are derived in whole or in part from public  
25 assistance and (ii) in initially selecting families for



1 admission to dwellings of given sizes and at specified  
2 rents the public housing agency shall (subject to the  
3 preferences prescribed in subsection 10 (g) of this Act)  
4 give preference to families having the most urgent  
5 housing needs, and thereafter, in selecting families for  
6 admission to such dwellings, shall give due consideration  
7 to the urgency of the families' housing needs; and

8 “(d) the public housing agency shall make periodic  
9 reexaminations of the net incomes of tenant families  
10 living in the low-rent housing project involved; and  
11 if it is found, upon such reexamination, that the net  
12 incomes of any such families have increased beyond  
13 the maximum income limits fixed by the public housing  
14 agency (and approved by the Authority) for continued  
15 occupancy in such housing, such families shall be re-  
16 quired to move from the project.”

17 **VETERANS' PREFERENCES**

18 **SEC. 202.** The United States Housing Act of 1937,  
19 as amended, is hereby amended as follows:

20 (a) By adding the following new subsection to section  
21 10:

22 “(g) Every contract made pursuant to this Act  
23 for annual contributions for any low-rent housing project  
24 shall require that the public housing agency, as among  
25 low-income families which are eligible applicants for

1 occupancy in dwellings of given sizes and at specified  
2 rents, shall extend the following preferences in the selec-  
3 tion of tenants:

4 "First, to families which are to be displaced by any  
5 low-rent housing project or by any public slum-clearance  
6 or redevelopment project, or which were so displaced  
7 within three years prior to making application to such  
8 public housing agency for admission to any low-rent  
9 housing; and as among such families first preference  
10 shall be given to families of disabled veterans whose  
11 disability has been determined by the Veterans' Admin-  
12 istration to be service-connected, and second preference  
13 shall be given to families of other veterans and service-  
14 men (including families of deceased veterans or  
15 servicemen) ;

16 "Second, to families of other veterans and service-  
17 men (including families of deceased veterans or service-  
18 men) and as among such families first preference shall  
19 be given to families of disabled veterans whose disability  
20 has been determined by the Veterans' Administration  
21 to be service-connected."

22 (b) By adding the following new subsection to section 2 :

23 "(14) The term 'veteran' shall mean a person who has  
24 served in the active military or naval service of the United  
25 States at any time on or after September 16, 1940, and



1 prior to July 26, 1947, and at any time on or after April  
2 6, 1917, and prior to November 11, 1918, and who shall  
3 have been discharged or released therefrom under conditions  
4 other than dishonorable. The term 'serviceman' shall mean  
5 a person in the active military or naval service of the United  
6 States who has served therein on or after September 16,  
7 1940, and prior to July 26, 1947."

8 COST LIMITS

9 SEC. 203. Subsection 15 (5) of the United States  
10 Housing Act of 1937, as amended, is hereby amended to  
11 read as follows:

12 "(5) No contract for any loan, annual contribution,  
13 or capital grant made pursuant to this Act shall be en-  
14 tered into by the Authority with respect to any low-rent  
15 housing project completed after January 1, 1948, having  
16 a cost for construction and equipment of more than \$1,750  
17 per room (excluding land, demolition, and nondwelling  
18 facilities); except that in the case of Alaska any such con-  
19 tract may be entered into with respect to a project having a  
20 cost for construction and equipment of not to exceed \$2,500  
21 per room (excluding land, demolition, and nondwelling  
22 facilities): *Provided*, That if the Administrator finds that  
23 in the geographical area of any project (i) it is not feasible  
24 under the aforesaid cost limitations to construct the project  
25 without sacrifice of sound standards of construction, design,

1 and livability, and (ii) there is an acute need for such  
2 housing, he may prescribe in such contract cost limitations  
3 which may exceed by not more than \$750 per room the  
4 limitations that would otherwise be applicable to such project  
5 hereunder. The Authority shall make loans, grants, and  
6 annual contributions only for such low-rent housing projects  
7 as it finds are to be undertaken in such a manner that such  
8 projects will not be of elaborate or extravagant design or  
9 materials, and economy will be promoted both in construc-  
10 tion and administration. In order to attain the foregoing  
11 objective, every contract for financial assistance entered into  
12 with respect to any low-rent housing project initiated after  
13 March 1, 1949, shall provide that no award of the main  
14 construction contract for such project shall be made unless  
15 the Authority, taking into account the level of construction  
16 costs prevailing in the locality where such project is to be  
17 located, shall have specifically approved the amount of such  
18 main construction contract.”

#### 19 PRIVATE FINANCING

20 SEC. 204. In order to stimulate increasing private  
21 financing of low-rent housing projects, the United States  
22 Housing Act of 1937, as amended, is hereby amended as  
23 follows:

24 (a) The last proviso of subsection (b) of section 10 is



1 repealed, and subsection (f) of said section is amended to  
2 read as follows:

3 “(f) Payments under annual contributions contracts  
4 shall be pledged as security for any loans obtained by a  
5 public housing agency to assist the development or acqui-  
6 sition of the housing project to which the annual contributions  
7 relate.”;

8 (b) The following is added after section 21:

9 “PRIVATE FINANCING

10 “SEC. 22. To facilitate the enlistment of private capital  
11 through the sale by public housing agencies of their bonds  
12 and other obligations to others than the Authority, in financ-  
13 ing low-rent housing projects, and to maintain the low-rent  
14 character of housing projects—

15 “(a) Every contract for annual contributions (includ-  
16 ing contracts which amend or supersede contracts previously  
17 made) may provide that—

18 “(1) upon the occurrence of a substantial default  
19 in respect to the covenants or conditions to which the  
20 public housing agency is subject (as such substantial  
21 default shall be defined in such contract), the public  
22 housing agency shall be obligated at the option of the  
23 Authority, either to convey title in any case where, in  
24 the determination of the Authority (which determina-  
25 tion shall be final and conclusive), such conveyance of

1 title is necessary to achieve the purposes of this Act, or  
2 to deliver possession to the Authority of the project, as  
3 then constituted, to which such contract relates;

4 “(2) the Authority shall be obligated to reconvey or  
5 to redeliver possession of the project, as constituted at the  
6 time of reconveyance or redelivery, to such public hous-  
7 ing agency or to its successor (if such public housing  
8 agency or a successor exists) upon such terms as shall  
9 be prescribed in such contract and as soon as practicable:

10 (i) after the Authority shall be satisfied that all defaults  
11 with respect to the project have been cured, and that the  
12 project will, in order to fulfill the purposes of this Act,  
13 thereafter be operated in accordance with the terms of  
14 such contract; or (ii) after the termination of the obli-  
15 gation to make annual contributions available unless  
16 there are any obligations or covenants of the public hous-  
17 ing agency to the Authority which are then in default.

18 Any prior conveyances and reconveyances, deliveries  
19 and redeliveries of possession shall not exhaust the right  
20 to require a conveyance or delivery of possession of the  
21 project to the Authority pursuant to subparagraph (1),  
22 upon the subsequent occurrence of a substantial default.

23 “(b) Whenever such contract for annual contributions  
24 shall include provisions which the Authority, in said con-



1 tract, determines are in accordance with subsection (a)  
2 hereof, and the annual contributions, pursuant to such con-  
3 tract, have been pledged by the public housing agency as  
4 security for the payment of the principal and interest on  
5 any of its obligations, the Authority (notwithstanding any  
6 other provisions of this Act) shall continue to make annual  
7 contributions available for the project so long as any of  
8 such obligations remain outstanding, and may covenant in  
9 such contract (in lieu of the provision required by the first  
10 sentence of subsection 15 (3) of this Act and notwithstand-  
11 ing any other provisions of law) that in any event such  
12 annual contributions shall in each year be at least equal  
13 to an amount which, together with such income or other  
14 funds as are actually available from the project for the pur-  
15 pose at the time such annual contribution is made, will suffice  
16 for the payment of all installments, falling due within the  
17 next succeeding twelve months, of principal and interest on  
18 the obligations for which the annual contributions provided  
19 for in the contract shall have been pledged as security:  
20 *Provided*, That such annual contributions shall not be in  
21 excess of the maximum sum determined pursuant to the  
22 first proviso of subsection 10 (b), or, where applicable, the  
23 second proviso of subsection 10 (c); and in no case shall  
24 such annual contributions be in excess of the maximum sum

1 specified in the contract involved, nor for longer than the  
2 remainder of the maximum period fixed by the contract.”;

3 (c) In the fourth sentence of section 9 the words “going  
4 Federal rate at the time the loan is made,” are deleted, in  
5 the first proviso of subsection 10 (b) the words “going  
6 Federal rate of interest at the time such contract is made”  
7 are deleted, and in lieu thereof in each case there are sub-  
8 stituted the words “applicable going Federal rate”; and  
9 subsection 2 (10) is amended to read as follows:

10 “(10) The term ‘going Federal rate’ means the  
11 annual rate of interest (or, if there shall be two or more  
12 such rates of interest, the highest thereof) specified in  
13 the most recently issued bonds of the Federal Govern-  
14 ment having a maturity of ten years or more, determined,  
15 in the case of loans or annual contributions, respectively,  
16 at the date of Presidential approval of the contract pur-  
17 suant to which such loans or contributions are made:  
18 *Provided*, That for the purposes of this Act, the going  
19 Federal rate shall be deemed to be not less than  $2\frac{1}{2}$  per  
20 centum.”;

21 (d) Section 9 is amended by striking out the period  
22 at the end of said section and adding a colon and the follow-  
23 ing: “*Provided*, That in the case of projects initiated after  
24 March 1, 1949, with respect to which annual contributions



1 are contracted for pursuant to this Act, loans shall not be  
2 made for a period exceeding forty years from the date of  
3 the bonds evidencing the loan: *And provided further*, That,  
4 in the case of such projects or any other projects with re-  
5 spect to which the contracts (including contracts which  
6 amend or supersede contracts previously made) provide for  
7 loans for a period not exceeding forty years from the date  
8 of the bonds evidencing the loan and for annual contribu-  
9 tions for a period not exceeding forty years from the date  
10 the first annual contribution for the project is paid, such  
11 loans shall bear interest at a rate not less than the applicable  
12 going Federal rate.”;

13 (e) Subsection 10 (c) is amended by striking out the  
14 period at the end of the last sentence and adding a colon  
15 and the following: “*Provided*, That, in the case of projects  
16 initiated after March 1, 1949, contracts for annual con-  
17 tributions shall not be made for a period exceeding forty  
18 years from the date the first annual contribution for the  
19 project is paid: *And provided further*, That, in the case of  
20 such projects or any other projects with respect to which  
21 the contracts for annual contributions (including contracts  
22 which amend or supersede contracts previously made) pro-  
23 vide for annual contributions for a period not exceeding forty  
24 years from the date the first annual contribution for the  
25 project is paid, the fixed contribution may exceed the amount

1 provided in the first proviso of subsection (b) of this sec-  
2 tion by 1 per centum of development or acquisition cost.”;

3 (f) The first sentence of subsection 10 (c) is amended  
4 to read as follows: “Every contract for annual contribu-  
5 tions shall provide that whenever in any year the receipts  
6 of a public housing agency in connection with a low-rent  
7 housing project exceed its expenditures (including debt serv-  
8 ice, administration, maintenance, establishment of reserves,  
9 and other costs and charges), an amount equal to such ex-  
10 cess shall be applied, or set aside for application, to purposes  
11 which, in the determination of the Authority, will effect a  
12 reduction in the amount of subsequent annual contributions.”;

13 (g) Section 14 is amended by inserting the following  
14 after the first sentence: “When the Authority finds that it  
15 would promote economy or be in the financial interest of the  
16 Federal Government, any contract heretofore or hereafter  
17 made for annual contributions, loans, or both, may, with  
18 Presidential approval, be amended or superseded by a con-  
19 tract of the Authority so that the going Federal rate on the  
20 basis of which such annual contributions or interest rate on  
21 the loans, or both, respectively, are fixed shall mean the  
22 going Federal rate, as herein defined, on the date of Presi-  
23 dential approval of such amending or superseding contract:

24 *Provided*, That contracts may not be amended or superseded



1 in a manner which would impair the rights of the holders of  
2 any outstanding obligations of the public housing agency in-  
3 volved for which annual contributions have been pledged.”;

4 (h) Section 20 is amended to read as follows:

5 “SEC. 20. The Authority may issue and have outstand-  
6 ing at any one time notes and other obligations for purchase  
7 by the Secretary of the Treasury in an amount not to exceed  
8 \$1,500,000,000. Such notes or other obligations shall be  
9 in such forms and denominations, shall have such maturities,  
10 and shall be subject to such terms and conditions as may be  
11 prescribed by the Authority with the approval of the Secre-  
12 tary of the Treasury. Such notes or other obligations shall  
13 bear interest at a rate determined by the Secretary of the  
14 Treasury, taking into consideration the current average rate  
15 on outstanding marketable obligations of the United States  
16 as of the last day of the month preceding the issuance of the  
17 notes or other obligations by the Authority. The Secretary  
18 of the Treasury is authorized and directed to purchase any  
19 notes or other obligations of the Authority issued hereunder  
20 and for such purpose is authorized to use as a public debt  
21 transaction the proceeds from the sale of any securities issued  
22 under the Second Liberty Bond Act, as amended, and the  
23 purposes for which securities may be issued under such Act,  
24 as amended, are extended to include any purchases of such  
25 obligations. The Secretary of the Treasury may at any time

1 sell any of the notes or other obligations acquired by him  
2 under this section. All redemptions, purchases, and sales  
3 by the Secretary of the Treasury of such notes or other obli-  
4 gations shall be treated as public debt transactions of the  
5 United States.”;

6 (i) Subsection 2 (5) is amended to read as follows:

7 “(5) The term ‘development’ means any or all  
8 undertakings necessary for planning, land acquisition,  
9 demolition, construction, or equipment, in connection  
10 with a low-rent housing project. The term ‘develop-  
11 ment cost’ shall comprise the costs incurred by a public  
12 housing agency in such undertakings and their neces-  
13 sary financing (including the payment of carrying  
14 charges, but not beyond the point of physical comple-  
15 tion), and in otherwise carrying out the development of  
16 such project. Construction activity in connection with  
17 a low-rent housing project may be confined to the recon-  
18 struction, remodeling, or repair of existing buildings.”;  
19 and

20 (j) The following additional subsection is added to  
21 section 15:

22 “(9) Any contract for loans or annual contribu-  
23 tions, or both, entered into by the Authority with a  
24 public housing agency, may cover one or more than one  
25 low-rent housing project owned by said public housing



1       agency; in the event such contract covers two or more  
2       projects, such projects may, for any of the purposes of  
3       this Act and of such contract (including, but not limited  
4       to, the determination of the amount of the loan, annual  
5       contributions, or payments in lieu of taxes, specified in  
6       such contract), be treated collectively as one project.”

7                                   ANNUAL CONTRIBUTIONS

8       SEC. 205. The United States Housing Act of 1937, as  
9       amended, is hereby amended as follows:

10       (a) By inserting the following after the first sentence  
11       of subsection (e) of section 10: “With respect to projects  
12       assisted pursuant to this Act, the Authority (in addition  
13       to the amount authorized by the first sentence of this sub-  
14       section) is authorized, with the approval of the President, to  
15       enter into contracts, on and after July 1, 1949, for annual  
16       contributions aggregating not more than \$85,000,000 per  
17       annum, which limit shall be increased by further amounts of  
18       \$55,000,000 on July 1 in each of the years 1950, 1951,  
19       and 1952, respectively, and by \$58,000,000 on July 1,  
20       1953: *Provided*, That (subject to the total additional  
21       authorization of not more than \$308,000,000 per annum)  
22       such limit, and any such authorized increase therein,  
23       may be increased at any time or times by additional  
24       amounts aggregating not more than \$55,000,000 upon  
25       a determination by the President, after receiving advice

1 from the Council of Economic Advisers as to the general  
2 effect of such increase upon conditions in the building  
3 industry and upon the national economy, that such action  
4 is in the public interest: *And provided further*, That 10  
5 per centum of each amount of authorization to enter into  
6 contracts for annual contributions becoming available here-  
7 under shall, for a period of three years after such amount  
8 of authorization becomes available, be available only for  
9 annual contributions contracts with respect to projects to  
10 be located in rural nonfarm areas. With respect to projects  
11 initiated after March 1, 1949, the Authority may authorize  
12 the commencement of construction of not to exceed one  
13 hundred and thirty-five thousand dwelling units after July  
14 1, 1949, which limit shall be increased by further amounts  
15 of one hundred and thirty-five thousand dwelling units on  
16 July 1 in each of the years 1950 through and including  
17 1954, respectively: *Provided*, That (subject to the author-  
18 ization of not to exceed eight hundred and ten thousand  
19 dwelling units) such limit, and any such authorized increase  
20 therein, may be increased at any time or times by additional  
21 amounts aggregating not more than sixty-five thousand  
22 dwelling units, or may be decreased at any time or times  
23 by amounts aggregating not more than eighty-five thousand  
24 dwelling units, upon a determination by the President, after  
25 receiving advice from the Council of Economic Advisers as



1 to the general effect of such increase or decrease upon con-  
2 ditions in the building industry and upon the national econ-  
3 omy, that such action is in the public interest: *And provided*  
4 *further*, That contracts for annual contributions with respect  
5 to low-rent housing projects initiated after March 1, 1949,  
6 shall not provide for the commencement of construction of  
7 more than eight hundred and ten thousand dwelling units  
8 without further authorization from the Congress.”; and

9 (b) By deleting the third sentence of subsection 10 (a)  
10 and adding the following new subsection to section 10:

11 “(h) Every contract made pursuant to this Act for  
12 annual contributions for any low-rent housing project  
13 initiated after March 1, 1949, shall provide that no annual  
14 contributions by the Authority shall be made available for  
15 such project unless such project is exempt from all real and  
16 personal property taxes levied or imposed by the State, city,  
17 county, or other political subdivisions, but such contract may  
18 authorize the public housing agency to make payments in  
19 lieu of such taxes in an annual amount not in excess of 10 per  
20 centum of the annual shelter rents charged in such project:  
21 *Provided*, That, with respect to any such project to be  
22 located in any State where, by reason of constitutional limi-  
23 tations or otherwise, such project is not exempt from all real  
24 and personal property taxes levied or imposed by the State,  
25 city, county, or other political subdivision, such contract may

1 provide, in lieu of the requirement for tax exemption and  
2 the authorization of payments in lieu of taxes, that no  
3 annual contributions by the Authority shall be made avail-  
4 able for such project unless and until the State, city, county,  
5 or other political subdivision in which such project is situ-  
6 ated shall contribute, in the form of cash, at least 20 per  
7 centum of the annual contributions paid by the Authority.  
8 In respect to low-rent housing projects initiated prior to  
9 March 1, 1949, the Authority may, after the effective date  
10 of the Housing Act of 1949, authorize payments in lieu of  
11 taxes for each of the project fiscal years in respect to which  
12 annual contribution dates occurred during the two-year  
13 period ending June 30, 1949, in amounts which, together  
14 with amounts already paid, will not exceed the greater of  
15 either (i) 5 per centum of the shelter rents charged in such  
16 projects for each of such project fiscal years, or (ii) the  
17 amounts specified in the cooperation agreements in effect  
18 July 1, 1947, between the public housing agencies and the  
19 political subdivisions in which the projects are located, or in  
20 the ordinances or resolutions of such political subdivisions in ef-  
21 fect on such date. In respect to such low-rent housing projects  
22 initiated prior to March 1, 1949, the contracts for annual con-  
23 tributions may be amended as to project fiscal years in respect  
24 to which annual contribution dates occur on or after July 1,  
25 1949, so as to require exemption from real and personal prop-



erty taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amounts specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF

LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor

1 member of the family (other than the head of the family  
2 and his spouse) of either (a) \$100, or (b) all or any  
3 part of the annual income of such minor. For the purposes  
4 of this subsection, a minor shall mean a person less than 21  
5 years of age.”

6 TECHNICAL AMENDMENTS

7 SEC. 207. The United States Housing Act of 1937, as  
8 amended, is hereby amended as follows:

9 (a) By deleting from section 1 the words “rural or  
10 urban communities” and by substituting therefor the words  
11 “urban and rural nonfarm areas”;

12 (b) (1) By adding at the end of subsection 2 (11)  
13 the following new sentence: “The Authority shall enter into  
14 contracts for financial assistance with a State or State  
15 agency where such State or State agency makes applica-  
16 tion for such assistance for an eligible project which, under  
17 the applicable laws of the State, is to be developed and  
18 administered by such State or State agency.”; and

19 (2) By adding the following new subsection to sec-  
20 tion 2:

21 “(15) The term ‘initiated’ when used in reference  
22 to the date on which a project was initiated refers to  
23 the date of the first contract for financial assistance in  
24 respect to such project entered into by the Authority  
25 and the public housing agency.”;



1       (c) By adding to section 6 the following new sub-  
2 section:

3       “(e) With respect to all projects under title II of  
4 Public Law 671, Seventy-sixth Congress, approved June 28,  
5 1940, references therein to the United States Housing Act  
6 of 1937, as amended, shall include all amendments to said  
7 Act made by the Housing Act of 1949 or by any other  
8 law thereafter enacted.”;

9       (d) By deleting the proviso in subsection 10 (a) and  
10 the proviso in subsection 11 (a), and in each case changing  
11 the colon preceding the word “*Provided*” to a period;

12       (e) By amending the second sentence of subsection 13  
13 (a) to read as follows: “The Authority may bid for and  
14 purchase at any foreclosure by any party or at any other  
15 sale, or (pursuant to section 22 or otherwise) acquire  
16 or take possession of any project which it previously  
17 owned or in connection with which it has made a loan,  
18 annual contribution, or capital grant; and in such event the  
19 Authority may complete, administer, pay the principal of  
20 and interest on any obligations issued in connection with  
21 such project, dispose of, and otherwise deal with, such proj-  
22 ects or parts thereof, subject, however, to the limitations  
23 elsewhere in this Act governing their administration and  
24 disposition.”;

25       (f) By amending subsection 16 (2) by inserting after

1 the words "contain a provision requiring that" the words  
2 "not less than";

3 (g) By amending subsection 21 (d) to read as follows:

4 " (d) Not more than 10 per centum of the total annual  
5 amount of \$336,000,000 provided in this Act for annual  
6 contributions, nor more than 10 per centum of the amounts  
7 provided for in this Act for grants, shall be expended within  
8 any one State."; and

9 (h) By renumbering sections 22 to 30, inclusive, so  
10 that they become sections 23 to 31, inclusive.

### 11 TITLE III—HOUSING RESEARCH

12 SEC. 301. Title III of Public Law 901, Eightieth  
13 Congress, approved August 10, 1948, is hereby amended  
14 to read as follows:

15 "SEC. 301. The Housing and Home Finance Admin-  
16 istrator shall—

17 " (a) Undertake and conduct a program with respect  
18 to technical research and studies concerned with the de-  
19 velopment, demonstration, and promotion of the acceptance  
20 and application of new and improved techniques, materials,  
21 and methods which will permit progressive reductions in  
22 housing construction and maintenance costs, and stimulate  
23 the increased and sustained production of housing, and con-  
24 cerned with housing economics and other housing market  
25 data. Such program may be concerned with improved and



1 standardized building codes and regulations and methods for  
2 the more uniform administration thereof, standardized dimen-  
3 sions and methods for the assembly of home-building mate-  
4 rials and equipment, improved residential design and con-  
5 struction, new and improved types of housing components,  
6 building materials and equipment, and methods of produc-  
7 tion, distribution, assembly, and construction, and sound  
8 techniques for the testing thereof and for the determination of  
9 adequate performance standards, and may relate to appraisal,  
10 credit, and other housing market data, housing needs, demand  
11 and supply, finance and investment, land costs, use and im-  
12 provement, site planning and utilities, zoning and other  
13 laws, codes and regulations as they apply to housing, other  
14 factors affecting the cost of housing, and related technical  
15 and economic research. Contracts may be made by the  
16 Administrator for technical research and studies authorized  
17 by this subsection for work to continue not more than four  
18 years from the date of any such contract. Notwithstanding  
19 the provisions of section 5 of the Act of June 20, 1874, as  
20 amended (31 U. S. C. 713), any unexpended balances of  
21 appropriations properly obligated by contracting with an  
22 organization as provided in this subsection may remain upon  
23 the books of the Treasury for not more than five fiscal years  
24 before being carried to the surplus fund and covered into

1 the Treasury. All contracts made by the Administrator for  
2 technical research and studies authorized by this or any other  
3 Act shall contain requirements making the results of such  
4 research or studies available to the public through dedi-  
5 cation, assignment to the Government, or such other means  
6 as the Administrator shall determine. The Administrator  
7 shall disseminate, and without regard to the provisions of 39  
8 United States Code 321n, the results of such research and  
9 studies in such form as may be most useful to industry and  
10 to the general public.

11 “(b) Prepare and submit to the President and to the  
12 Congress estimates of national urban and rural nonfarm  
13 housing needs and reports with respect to the progress  
14 being made toward meeting such needs, and correlate and  
15 recommend proposals for such executive action or legis-  
16 lation as may be necessary or desirable for the furtherance of  
17 the national housing objective and policy established by this  
18 Act, with respect to urban and rural nonfarm housing, to-  
19 gether with such other reports or information as may be  
20 required of the Administrator by the President or the  
21 Congress.

22 “(c) Encourage localities to make studies of their own  
23 housing needs and markets, along with surveys and plans  
24 for housing, urban land use and related community develop-



1 ment, and provide, where requested and needed by the  
2 localities, technical advice and guidance in the making of  
3 such studies, surveys, and plans.

4       “SEC. 302. In carrying out research and studies under  
5 this title, the Administrator shall utilize, to the fullest extent  
6 feasible, the available facilities of other departments, inde-  
7 pendent establishments, and agencies of the Federal Govern-  
8 ment, and shall consult with, and make recommendations to,  
9 such departments, independent establishments, and agencies  
10 with respect to such action as may be necessary and desirable  
11 to overcome existing gaps and deficiencies in available hous-  
12 ing data or in the facilities available for the collection  
13 of such data. The Administrator is further authorized, for  
14 the purposes of this title, to undertake research and studies  
15 cooperatively with industry and labor, and with agen-  
16 cies of State or local governments, and educational institu-  
17 tions and other nonprofit organizations. For the purpose  
18 of entering into contracts with any State or local public  
19 agency or instrumentality, or educational institution or other  
20 nonprofit agency or organization, in carrying out any research  
21 or studies authorized by this title, the Administrator may  
22 exercise any of the powers vested in him by section 502 (c)  
23 of the Housing Act of 1948.

24       “SEC. 303. There are hereby authorized to be appro-

1 priated such sums as may be necessary to carry out the pur-  
2 poses of this title.

3 "SEC. 304. The Administrator shall appoint a Director  
4 to administer the provisions of this title under the direction  
5 and supervision of the Administrator, and the basic rate of  
6 compensation of such position shall be the same as the basic  
7 rate of compensation established for the heads of the con-  
8 stituent agencies of the Housing and Home Finance Agency."

#### 9 TITLE IV—FARM HOUSING

##### 10 FINANCIAL ASSISTANCE BY THE SECRETARY OF 11 AGRICULTURE

12 SEC. 401. (a) The Secretary of Agriculture (herein-  
13 after referred to as the "Secretary") is authorized, subject  
14 to the terms and conditions of this title, to extend financial  
15 assistance, through the Farmers Home Administration, to  
16 owners of farms in the United States and in the Territories  
17 of Alaska and Hawaii and in Puerto Rico and the Virgin  
18 Islands, to enable them to construct, improve, alter, repair,  
19 or replace dwellings and other farm buildings on their farms  
20 to provide them, their tenants, lessees, sharecroppers, and  
21 laborers with decent, safe, and sanitary living conditions  
22 and adequate farm buildings as specified in this title.

23 (b) For the purpose of this title, the term "farm"  
24 shall mean a parcel or parcels of land operated as a single



1 unit which is used for the production of one or more agri-  
2 cultural commodities and which customarily produces or  
3 is capable of producing such commodities for sale and for  
4 home use of a gross annual value of not less than the  
5 equivalent of a gross annual value of \$400 in 1944, as  
6 determined by the Secretary. The Secretary shall promptly  
7 determine whether any parcel or parcels of land constitute  
8 a farm for the purposes of this title whenever requested to  
9 do so by any interested Federal, State, or local public agency,  
10 and his determination shall be conclusive.

11 (c) In order to be eligible for the assistance authorized  
12 by paragraph (a), the applicant must show (1) that he is  
13 the owner of a farm which is without a decent, safe, and  
14 sanitary dwelling for himself and his family and necessary  
15 resident farm labor, or for the family of the operating  
16 tenant, lessee, or sharecropper, or without other farm build-  
17 ings adequate for the type of farming in which he engages  
18 or desires to engage; (2) that he is without sufficient re-  
19 sources to provide the necessary housing and buildings on  
20 his own account; and (3) that he is unable to secure the  
21 credit necessary for such housing and buildings from other  
22 sources upon terms and conditions which he could reason-  
23 ably be expected to fulfill.

## LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE

## FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;



1           (3) contain the agreement of the borrower that he  
2       will, at the request of the Secretary, proceed with dili-  
3       gence to refinance the balance of the indebtedness  
4       through cooperative or other responsible private credit  
5       sources whenever the Secretary determines, in the light  
6       of the borrower's circumstances, including his earning  
7       capacity and the income from the farm, that he is able  
8       to do so upon reasonable terms and conditions;

9           (4) be in such form and contain such covenants  
10       as the Secretary shall prescribe to secure the payment  
11       of the loan with interest, protect the security, and assure  
12       that the farm will be maintained in repair and that waste  
13       and exhaustion of the farm will be prevented.

14       LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY

15                           ADEQUATE FARMS

16       SEC. 403. If the Secretary determines (a) that, because  
17       of the inadequacy of the income of an eligible applicant from  
18       the farm to be improved and from other sources, said ap-  
19       plicant may not reasonably be expected to make annual  
20       repayments of principal and interest in an amount sufficient  
21       to repay the loan in full within the period of time prescribed  
22       by the Secretary as authorized in this title; (b) that the  
23       income of the applicant may be sufficiently increased within  
24       a period of not to exceed ten years by improvement or en-  
25       largement of the farm or an adjustment of the farm practices

1 or methods; and (c) that the applicant has adopted and may  
2 reasonably be expected to put into effect a plan of farm  
3 improvement, enlargement, or adjusted practices which, in  
4 the opinion of the Secretary, will increase the applicant's  
5 income from said farm within a period of not to exceed ten  
6 years to the extent that the applicant may be expected there-  
7 after to make annual repayments of principal and interest  
8 sufficient to repay the balance of the indebtedness less pay-  
9 ments in cash and credits for the contributions to be made  
10 by the Secretary as hereinafter provided, the Secretary may  
11 make a loan in an amount necessary to provide adequate  
12 farm dwellings and buildings on said farm under the terms  
13 and conditions prescribed in section 402. In addition, the  
14 Secretary may agree with the borrower to make annual  
15 contributions during the said ten-year period in the form of  
16 credits on the borrower's indebtedness in an amount not to  
17 exceed the annual installment of interest and 50 per centum  
18 of the principal payments accruing during any installment  
19 year up to and including the tenth installment year, subject  
20 to the conditions that the borrower's income is, in fact,  
21 insufficient to enable the borrower to make payments in  
22 accordance with the plan or schedule prescribed by the  
23 Secretary and that the borrower pursues his plan of farm  
24 reorganization and improvements or enlargement with due  
25 diligence.



1       This agreement with respect to credits of principal and  
2 interest upon the borrower's indebtedness shall not be assign-  
3 able nor accrue to the benefit of any third party without the  
4 written consent of the Secretary and the Secretary shall have  
5 the right, at his option, to cancel the agreement upon the  
6 sale of the farm or the execution or creation of any lien there-  
7 on subsequent to the lien given to the Secretary, or to refuse  
8 to release the lien given to the Secretary except upon pay-  
9 ment in cash of the entire original principal plus accrued  
10 interest thereon less actual cash payments of principal and  
11 interest when the Secretary determines that the release of the  
12 lien would permit the benefits of this section to accrue to a  
13 person not eligible to receive such benefits.

14           OTHER SPECIAL LOANS AND GRANTS FOR MINOR

15           IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

16       SEC. 404. In the event the Secretary determines that an  
17 eligible applicant cannot qualify for a loan under the pro-  
18 visions of sections 402 and 403 and that repairs or improve-  
19 ments should be made to a farm dwelling occupied by him,  
20 or his tenants, lessees, sharecroppers, or laborers, in order to  
21 make such dwelling safe and sanitary and remove hazards to  
22 the health of the occupant, his family, or the community, and  
23 that repairs should be made to farm buildings in order to  
24 remove hazards and make such buildings safe, the Secretary  
25 may make a grant or a combined loan and grant, to the

1 applicant to cover the cost of improvements or additions,  
2 such as repairing roofs, providing toilet facilities, providing  
3 a convenient and sanitary water supply, supplying screens,  
4 repairing or providing structural supports, or making other  
5 similar repairs or improvements. No assistance shall be ex-  
6 tended to any one individual under the provisions of this  
7 section in the form of a loan or grant or combination thereof  
8 in excess of \$1,000 for any one farm or dwelling or building  
9 owned by such individual, or in excess of \$2,000 in the  
10 aggregate to any one such individual, and the grant portion  
11 with respect to any one farm or dwelling or building shall  
12 not exceed \$500. Any portion of the sums advanced to the  
13 borrower treated as a loan shall be secured and be repayable  
14 in accordance with the principles and conditions set forth in  
15 this title. Sums made available by grant may be made sub-  
16 ject to the conditions set out in this title for the protection of  
17 the Government with respect to contributions made on loans  
18 by the Secretary. In the case of such loan or grant with  
19 respect to a farm not occupied by the owner of the land,  
20 the Secretary may, as a condition precedent to the grant,  
21 require that the landowner enter into such stipulations and  
22 agreements with the Secretary and the occupants of the farm  
23 as will make it possible for the occupant to obtain the full  
24 benefits of the grant.



## 1 MORATORIUM ON PAYMENTS UNDER LOANS

2 SEC. 405. During any time that any such loan is out-  
3 standing, the Secretary is authorized under regulations to be  
4 prescribed by him to grant a moratorium upon the payment  
5 of interest and principal on such loan for so long a period  
6 as he deems necessary, upon a showing by the borrower that  
7 due to circumstances beyond his control, he is unable to con-  
8 tinue making payments of such principal and interest when  
9 due without unduly impairing his standard of living. In  
10 cases of extreme hardship under the foregoing circumstances,  
11 the Secretary is further authorized to cancel interest due and  
12 payable on such loans during the moratorium. Should any  
13 foreclosure of such a mortgage securing such a loan upon  
14 which a moratorium has been granted occur, no deficiency  
15 judgment shall be taken against the mortgagor if he shall have  
16 faithfully tried to meet his obligation.

## 17 TECHNICAL SERVICES AND RESEARCH

18 SEC. 406. (a) In connection with financial assistance  
19 authorized in sections 401 to 404, inclusive, the Secretary  
20 shall require that all new buildings and repairs financed  
21 under this title shall be substantially constructed and in  
22 accordance with such building plans and specifications as  
23 may be required by the Secretary. Buildings and repairs  
24 constructed with funds advanced pursuant to this title shall  
25 be supervised and inspected, as may be required by the Sec-

1 retary, by competent employees of the Secretary. In addition  
2 to the financial assistance authorized in sections 401 to 404,  
3 inclusive, the Secretary is authorized to furnish, through  
4 such agencies as he may determine, to any person, including  
5 a person eligible for financial assistance under this title,  
6 without charge or at such charges as the Secretary may deter-  
7 mine, technical services such as building plans, specifications,  
8 construction supervision and inspection, and advice and  
9 information regarding farm dwellings and other buildings.  
10 The Secretary is further authorized to conduct research and  
11 technical studies including the development, demonstration,  
12 and promotion of construction of adequate farm dwellings  
13 and other buildings for the purposes of stimulating con-  
14 struction, improving the architectural design and utility  
15 of such dwellings and buildings, utilizing new and native  
16 materials, economies in materials and construction methods,  
17 new methods of production, distribution, assembly, and con-  
18 struction, with a view to reducing the cost of farm dwellings  
19 and buildings and adapting and developing fixtures and  
20 appurtenances for more efficient and economical farm use.

21 (b) The Secretary of Agriculture shall prepare and  
22 submit to the President and to the Congress estimates of  
23 national farm housing needs and reports with respect to the  
24 progress being made toward meeting such needs, and corre-  
25 late and recommend proposals for such executive action or



1 legislation necessary or desirable for the furtherance of the  
2 national housing objective and policy established by this Act  
3 with respect to farm housing, together with such other reports  
4 or information as may be required of the Secretary by the  
5 President or the Congress.

6 PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED  
7 SERVICEMEN

8 SEC. 407. As between eligible applicants seeking assist-  
9 ance under this title, the Secretary shall give preference to  
10 veterans and the families of deceased servicemen. As used  
11 herein, a "veteran" shall be a person who served in the land  
12 or naval forces of the United States during any war between  
13 the United States and any other nation and who shall have  
14 been discharged or released therefrom on conditions other  
15 than dishonorable. "Deceased servicemen" shall mean men  
16 or women who served in the land or naval forces of the  
17 United States during any war between the United States  
18 and any other nation and who died in service before the  
19 termination of such war.

20 LOCAL COMMITTEES TO ASSIST SECRETARY

21 SEC. 408. (a) For the purposes of this subsection and  
22 subsection (b) of this section, the Secretary may use the  
23 services of any existing committee of farmers operating (pur-  
24 suant to laws or regulations carried out by the Department of  
25 Agriculture) in any county or parish in which activities are

1 carried on under this title. In any county or parish in  
2 which activities are carried on under this title and in which  
3 no existing satisfactory committee is available, the Secretary  
4 is authorized to appoint a committee composed of three per-  
5 sons residing in the county or parish. Each member of  
6 such existing or newly appointed committee shall be allowed  
7 compensation at the rate of \$5 per day while engaged in the  
8 performance of duties under this title and, in addition, shall  
9 be allowed such amounts as the Secretary may prescribe for  
10 necessary traveling and subsistence expenses. One member  
11 of the committee shall be designated by the Secretary as  
12 chairman. The Secretary shall prescribe rules governing  
13 the procedures of the committees, furnish forms and equip-  
14 ment necessary for the performance of their duties, and  
15 authorize and provide for the compensation of such clerical  
16 assistance as he deems may be required by any committee.

17 (b) The committees utilized or appointed pursuant to  
18 this section shall examine applications of persons desiring  
19 to obtain the benefits of this title and shall submit recom-  
20 mendations to the Secretary with respect to each applicant  
21 as to whether the applicant is eligible to receive the benefits  
22 of this title, whether by reason of his character, ability, and  
23 experience, he is likely successfully to carry out undertakings  
24 required of him under a loan or grant under this title,  
25 and whether the farm with respect to which the application is



1 made is of such character that there is a reasonable likeli-  
2 hood that the making of the loan or grant requested will  
3 carry out the purposes of this title. The committees shall  
4 also certify to the Secretary their opinions of the reasonable  
5 values of the farms. The committees shall, in addition, per-  
6 form such other duties under this title as the Secretary may  
7 require.

## GENERAL POWERS OF SECRETARY

9        SEC. 409. (a) The Secretary, for the purposes of this  
10 title, shall have the power to determine and prescribe the  
11 standards of adequate farm housing and other buildings, by  
12 farms or localities, taking into consideration, among other  
13 factors, the type of housing which will provide decent, safe,  
14 and sanitary dwelling for the needs of the family using the  
15 housing, the type and character of the farming operations  
16 to be conducted, and the size and earning capacity of the  
17 land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

## ADMINISTRATIVE PROVISIONS

SEC. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers



1           whose farms have been acquired by the Secretary,  
2           in cases where the Secretary determines that the  
3           original borrowers have cooperated in good faith  
4           with the Secretary, have farmed in a workman-  
5           like manner, used due diligence to maintain the  
6           security against loss, and otherwise fulfilled the  
7           covenants incident to their loans, to the best of  
8           their abilities;

9           (d) collect all claims and obligations arising out of  
10          or under any mortgage, lease, contract, or agreement  
11          entered into pursuant to this title and, if in his judgment  
12          necessary and advisable, to pursue the same to final  
13          collection in any court having jurisdiction: *Provided,*  
14          That the prosecution and defense of all litigation under  
15          this title shall be conducted under the supervision of the  
16          Attorney General and the legal representation shall be  
17          by the United States attorneys for the districts, respec-  
18          tively, in which such litigation may arise and by such  
19          other attorney or attorneys as may, under law, be  
20          designated by the Attorney General;

21          (e) bid for and purchase at any foreclosure or other  
22          sale or otherwise to acquire the property pledged or  
23          mortgaged to secure a loan or other indebtedness owing  
24          under this title, to accept title to any property so pur-  
25          chased or acquired, to operate or lease such property

1 for such period as may be necessary or advisable, to pro-  
2 tect the interest of the United States therein and to  
3 sell or otherwise dispose of the property so purchased  
4 or acquired by such terms and for such considerations  
5 as the Secretary shall determine to be reasonable and  
6 to make loans as provided herein to provide adequate  
7 farm dwellings and buildings for the purchasers of such  
8 property;

9 (f) utilize with respect to the indebtedness arising  
10 from loans and payments made under this title, all the  
11 powers and authorities given to him under the Act  
12 approved December 20, 1944, entitled "An Act to  
13 authorize the Secretary of Agriculture to compromise,  
14 adjust, or cancel certain indebtedness, and for other  
15 purposes" (58 Stat. 836), as such Act now provides or  
16 may hereafter be amended;

17 (g) make such rules and regulations as he deems  
18 necessary to carry out the purposes of this title.

#### 19 LOAN FUNDS

20 SEC. 411. The Secretary may issue notes and other ob-  
21 ligations for purchase by the Secretary of the Treasury in  
22 such sums as the Congress may from time to time determine  
23 to make loans under this title not in excess of \$25,000,000  
24 on and after July 1, 1949, an additional \$50,000,000 on  
25 and after July 1, 1950, an additional \$75,000,000 on and



1 after July 1, 1951, and an additional \$100,000,000 on and  
2 after July 1, 1952. The notes and obligations issued by the  
3 Secretary shall be secured by the obligations of borrowers and  
4 the Secretary's commitments to make contributions under this  
5 title and shall be repaid from the payment of principal and  
6 interest on the obligations of the borrowers and from funds  
7 appropriated hereunder. The notes and other obligations  
8 issued by the Secretary shall be in such forms and denomi-  
9 nations, shall have such maturities, and shall be subject to  
10 such terms and conditions as may be prescribed by the Secre-  
11 tary with the approval of the Secretary of the Treasury.  
12 Such notes or obligations shall bear interest at a rate de-  
13 termined by the Secretary of the Treasury, taking into  
14 consideration the current average rate on outstanding mar-  
15 ketable obligations of the United States as of the last day  
16 of the month preceding the issuance of the notes or obliga-  
17 tions by the Secretary. The Secretary of the Treasury is  
18 authorized and directed to purchase any notes and other  
19 obligations of the Secretary issued hereunder and for such  
20 purpose is authorized to use as a public debt transaction the  
21 proceeds from the sale of any securities issued under the  
22 Second Liberty Bond Act, as amended, and the purposes  
23 for which securities may be issued under such Act are ex-  
24 tended to include any purchases of such obligations. The Sec-  
25 retary of the Treasury may at any time sell any of the notes

1 or obligations acquired by him under this section. All re-  
2 demptions, purchases, and sales by the Secretary of the Treas-  
3 ury of such notes or obligations shall be treated as public debt  
4 transactions of the United States.

#### 5 CONTRIBUTIONS

6 SEC. 412. In connection with loans made pursuant to  
7 section 403, the Secretary is authorized, on and after July  
8 1, 1949, to make commitments for contributions aggregating  
9 not to exceed \$500,000 per annum and to make additional  
10 commitments, on and after July 1 of each of the years 1950,  
11 1951, and 1952, respectively, which shall require addi-  
12 tional contributions aggregating not more than \$1,000,000,  
13 \$1,500,000, and \$2,000,000 per annum, respectively.

14 SEC. 413. There is hereby authorized to be appropriated  
15 to the Secretary (a) such sums as may be necessary to  
16 meet payments on notes or other obligations issued by the  
17 Secretary under section 411 equal to (i) the aggregate of the  
18 contributions made by the Secretary in the form of credits  
19 on principal due on loans made pursuant to section 403, and  
20 (ii) the interest due on a similar sum represented by notes  
21 or other obligations issued by the Secretary; (b) an addi-  
22 tional \$2,000,000 for grants pursuant to section 404 on and  
23 after July 1, 1949, which amount shall be increased by fur-  
24 ther amounts of \$5,000,000, \$8,000,000, and \$10,000,000  
25 on July 1 of each of the years 1950, 1951, and 1952, re-



1 spectively; and (c) such further sums as may be necessary  
2 to enable the Secretary to carry out the provisions of this title.

### 3 TITLE V—MISCELLANEOUS PROVISIONS

#### 4 ADVISORY COMMITTEES

5 SEC. 501. The Housing and Home Finance Adminis-  
6 trator may appoint such advisory committee or committees  
7 as he may deem necessary in carrying out his functions,  
8 powers, and duties, under this or any other Act. Service as  
9 a member of any such committee shall not constitute any  
10 form of service or employment within the provisions of  
11 sections 281, 283, or 284 of title 18 United States Code.

#### 12 AMENDMENTS OF NATIONAL BANKING ACT

13 SEC. 502. (a) The last sentence of paragraph Seventh of  
14 section 5136 of the Revised Statutes, as amended, is amended  
15 by inserting before the colon, after the words "obligations  
16 of national mortgage associations", a comma and the follow-  
17 ing: "or such obligations of any local public agency (as  
18 defined in section 110 (h) of the Housing Act of 1949) as  
19 are secured by an agreement between the local public agency  
20 and the Housing and Home Finance Administrator in which  
21 the local public agency agrees to borrow from said Adminis-  
22 trator, and said Administrator agrees to lend to said local  
23 public agency, prior to the maturity of such obligations (which  
24 obligations shall have a maturity of not more than 18 months),  
25 monies in an amount which (together with any other monies

1 irrevocably committed to the payment of interest on such  
2 obligations) will suffice to pay the principal of such obliga-  
3 tions with interest to maturity thereon, which monies under  
4 the terms of said agreement are required to be used for the  
5 purpose of paying the principal of and the interest on such  
6 obligations at their maturity, or such obligations of a public  
7 housing agency (as defined in the United States Housing  
8 Act of 1937, as amended) as are secured either (1) by an  
9 agreement between the public housing agency and the Public  
10 Housing Administration in which the public housing agency  
11 agrees to borrow from the Public Housing Administration,  
12 and the Public Housing Administration agrees to lend to the  
13 public housing agency, prior to the maturity of such obliga-  
14 tions (which obligations shall have a maturity of not more  
15 than 18 months), monies in an amount which (together with  
16 any other monies irrevocably committed to the payment of in-  
17 terest on such obligations) will suffice to pay the principal  
18 of such obligations with interest to maturity thereon, which  
19 monies under the terms of said agreement are required to be  
20 used for the purpose of paying the principal of and the in-  
21 terest on such obligations at their maturity, or (2) by a  
22 pledge of annual contributions under an annual contributions  
23 contract between such public housing agency and the Public  
24 Housing Administration if such contract shall contain the  
25 covenant by the Public Housing Administration which is



1 authorized by subsection (b) of section 22 of the United  
2 States Housing Act of 1937, as amended, and if the maxi-  
3 mum sum and the maximum period specified in such con-  
4 tract pursuant to said subsection 22 (b) shall not be less  
5 than the annual amount and the period for payment which  
6 are requisite to provide for the payment when due of all in-  
7 stallments of principal and interest on such obligations”.

8 (b) Section 5200 of the Revised Statutes, as amended,  
9 is amended by adding at the end thereof the following:

10 “(11) Obligations of a local public agency (as  
11 defined in section 110 (h) of the Housing Act of 1949)  
12 or of a public housing agency (as defined in the United  
13 States Housing Act of 1937, as amended) which have  
14 a maturity of not more than eighteen months shall not  
15 be subject under this section to any limitation, if such  
16 obligations are secured by an agreement between the  
17 obligor agency and the Housing and Home Finance  
18 Administrator or the Public Housing Administration in  
19 which the agency agrees to borrow from the Admin-  
20 istrator or Administration, and the Administrator or  
21 Administration agrees to lend to the agency, prior to the  
22 maturity of such obligations, moneys in an amount which  
23 (together with any other moneys irrevocably committed  
24 to the payment of interest on such obligations) will suf-  
25 fice to pay the principal of such obligations with interest

1 to maturity, which moneys under the terms of said  
2 agreement are required to be used for that purpose.”.

3 NATIONAL HOUSING COUNCIL

4 SEC. 503. The Secretary of Labor or his designee, and  
5 the Federal Security Administrator or his designee, shall  
6 hereafter be included in the membership of the National  
7 Housing Council in the Housing and Home Finance Agency.

8 AMENDMENTS OF THE GOVERNMENT CORPORATIONS  
9 APPROPRIATION ACT, 1948, AND THE GOVERNMENT  
10 CORPORATIONS APPROPRIATION ACT, 1949

11 SEC. 504. (a) The second proviso in the paragraph  
12 under the heading “Federal Public Housing Authority” in  
13 title I of the Government Corporations Appropriation Act,  
14 1948, is hereby repealed as of July 1, 1947.

15 (b) The second proviso in the paragraph under the  
16 heading “Public Housing Administration” in title I of the  
17 Government Corporations Appropriation Act, 1949, is here-  
18 by repealed as of July 1, 1948.

19 (c) The first proviso in the paragraph under the sub-  
20 heading “Public Housing Administration” in title II of the  
21 Government Corporations Appropriation Act, 1949, is  
22 hereby repealed.

23 DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

24 SEC. 505. The Housing and Home Finance Adminis-  
25 trator shall appoint a Deputy Housing and Home Finance



1 Administrator, and the basic rate of compensation of such  
2 position shall be the same as the basic rate of compensation  
3 established for the heads of the constituent agencies of the  
4 Housing and Home Finance Agency. The Deputy Admin-  
5 istrator shall act as Administrator during the absence or  
6 disability of the Administrator or in the event of a vacancy  
7 in that office, and shall perform such other duties as the  
8 Administrator shall direct.

9 CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING  
10 PROJECTS

11 SEC. 506. Any low-rent or veterans' housing project  
12 undertaken or constructed under a program of a State or  
13 any political subdivision thereof shall be approved as a low-  
14 rent housing project under the terms of the United States  
15 Housing Act of 1937, as amended, if (a) a contract for  
16 State financial assistance for such project was entered into  
17 on or after January 1, 1948, and prior to January 1, 1950,  
18 (b) the project is or can become eligible for assistance by  
19 the Public Housing Administration in the form of loans  
20 and annual contributions under the provisions of the United  
21 States Housing Act of 1937, as amended, and (c) the  
22 public housing agency operating the project in the State  
23 makes application to the Public Housing Administration  
24 for Federal assistance for the project under the terms  
25 of the United States Housing Act of 1937, as amended:

1 *Provided*, That loans made by the Public Housing Admin-  
2 istration for the purpose of so converting the project to a  
3 project with Federal assistance shall be deemed, for the  
4 purposes of the provisions of section 9 and other sections of  
5 the United States Housing Act of 1937, to be loans to assist  
6 the development of the project. Section 503 of the Housing  
7 Act of 1948 is hereby repealed.

8 CENSUS OF HOUSING

9 SEC. 507. (a) The Director of the Census is author-  
10 ized and directed to take a census of housing in each State,  
11 the District of Columbia, Hawaii, Puerto Rico, the Virgin  
12 Islands, and Alaska, in the year 1950 and decennially  
13 thereafter in conjunction with, at the same time, and as a  
14 part of the population inquiry of the decennial census in  
15 order to provide information concerning the number, char-  
16 acteristics (including utilities and equipment), and geo-  
17 graphical distribution of dwelling units in the United States.  
18 The Director of the Census is authorized to collect such sup-  
19 plementary statistics (either in advance of or after the taking  
20 of such census) as are necessary to the completion thereof.

21 (b) All of the provisions, including penalties, of the  
22 Act providing for the fifteenth and subsequent decennial  
23 censuses, approved June 18, 1929, as amended (U. S. C.,  
24 title 13, ch. 4), shall apply to the taking of the census  
25 provided for in subsection (a) of this section.



## 1 NATIONAL CAPITAL HOUSING AUTHORITY

2 SEC. 508. Notwithstanding any other provisions of law,  
3 the National Capital Housing Authority is hereby authorized  
4 to acquire sites for low-rent public housing projects assisted  
5 under the provisions of the United States Housing Act of  
6 1937, as amended.

## 7 ACT CONTROLLING

8 SEC. 509. Insofar as the provisions of any other law  
9 are inconsistent with the provisions of this Act, the provisions  
10 of this Act shall be controlling.

## 11 SEPARABILITY

12 SEC. 510. Except as may be otherwise expressly pro-  
13 vided in this Act, all powers and authorities conferred by this  
14 Act shall be cumulative and additional to and not in deroga-  
15 tion of any powers and authorities otherwise existing. Not-  
16 withstanding any other evidences of the intention of  
17 Congress, it is hereby declared to be the controlling intent  
18 of Congress that if any provisions of this Act, or the applica-  
19 tion thereof to any persons or circumstances, shall be ad-  
20 judged by any court of competent jurisdiction to be invalid,  
21 such judgment shall not affect, impair, or invalidate the re-  
22 mainder of this Act or its applications to other persons and  
23 circumstances, but shall be confined in its operation to the

1 provisions of this Act or the application thereof to the per-  
2 sons and circumstances directly involved in the controversy  
3 in which such judgment shall have been rendered.

Passed the Senate April 21 (legislative day, April 11),  
1949.

Attest:

LESLIE L. BIFFLE,

*Secretary.*



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## AN ACT

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To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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APRIL 25, 1949

Referred to the Committee on Banking and Currency







# HOUSING ACT OF 1949

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## REPORT

FROM THE

## COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

## H. R. 4009

A BILL TO ESTABLISH A NATIONAL HOUSING OBJECTIVE AND THE POLICY TO BE FOLLOWED IN THE ATTAINMENT THEREOF, TO PROVIDE FEDERAL AID TO ASSIST SLUM-CLEARANCE PROJECTS AND LOW-RENT PUBLIC HOUSING PROJECTS INITIATED BY LOCAL AGENCIES, TO PROVIDE FOR FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE FOR FARM HOUSING, AND FOR OTHER PURPOSES

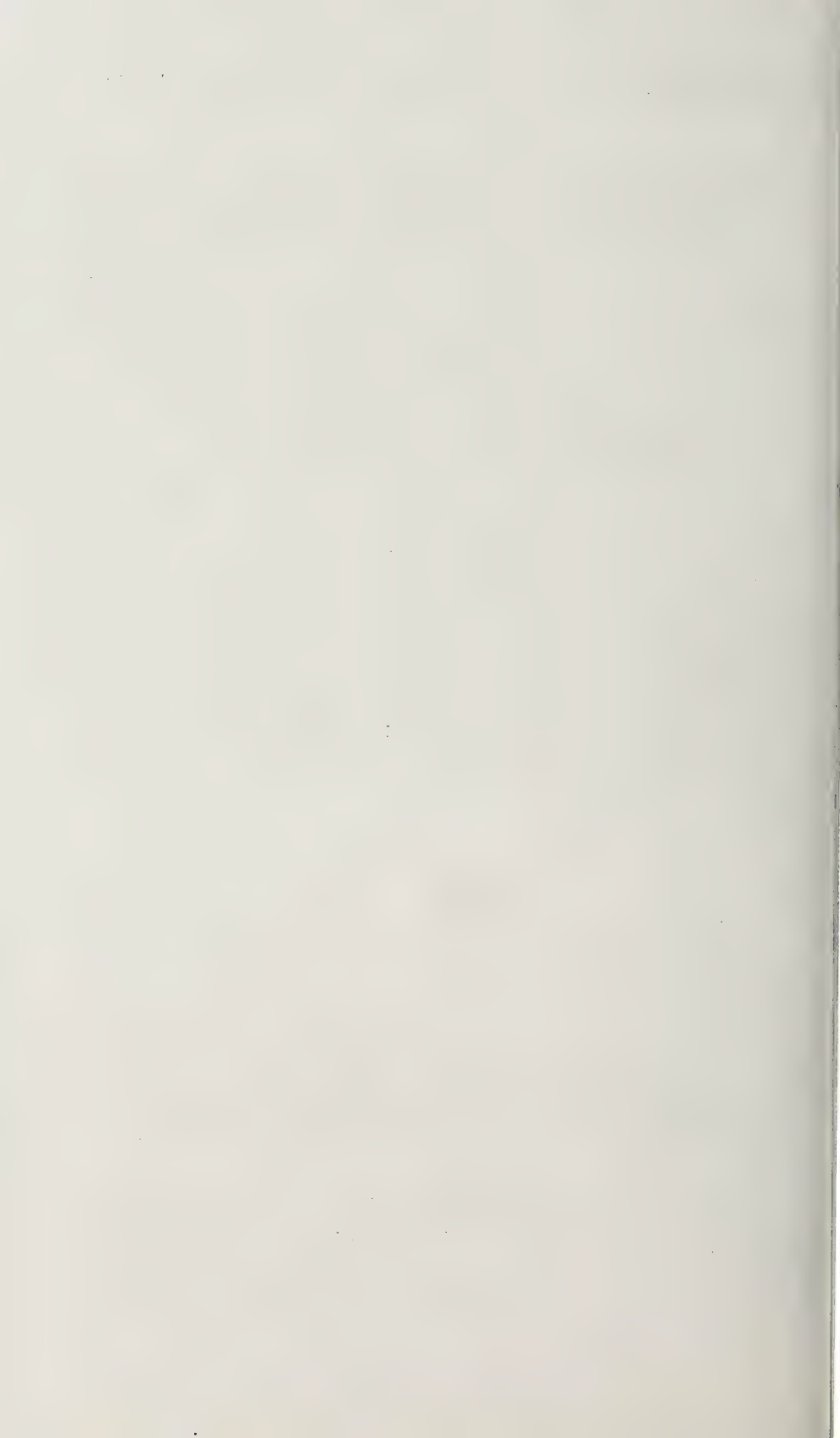


MAY 16, 1949.—Reported with amendments, committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## HOUSING ACT OF 1949

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MAY 16, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

### REPORT

[To accompany H. R. 4009]

The Committee on Banking and Currency to whom was referred the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having considered the same, report favorably thereon, with amendments, and recommend that the bill as amended, do pass.

The amendments are as follows:

1. Page 8, lines 5 and 6, and page 10, line 18, strike out "not to exceed in any fiscal year an additional" in each place where such appears therein and insert in lieu thereof "additional amounts aggregating not more than".
2. Page 17, line 12, insert a comma after "3709" and the following "as amended,".
3. Page 19, line 6, strike out "sections 1 and 2 of the", strike out all of line 7 and "and 276c)" on line 8, and insert in lieu thereof "title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c,".
4. Page 21, line 2, strike out "platted urban or suburban"; and on lines 7 and 8 strike out "unplatted urban or suburban".
5. Page 28, line 5, strike out "need" and insert in lieu thereof "needs".
6. Page 28, line 24, strike out "initiated after March 1, 1949,".
7. Page 29, line 6, after the word "project" insert "initiated after the date of enactment of the Housing Act of 1949,".



8. Page 29, strike out all of line 16 and strike out through "servicemen)" on line 17, and insert in lieu thereof:

families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

9. Page 29, lines 23 and 24, strike out "(including families of deceased veterans or servicemen)" where such appears therein.

10. Page 30, line 4, insert a comma immediately following "connected" and the following:

and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected

11. Page 30, line 22, after "(5)" strike out the remainder of said line and strike out all of lines 23, 24, and 25 and strike out all of lines 1 through 6, inclusive, on page 31 and insert in lieu thereof:

Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska)

12. Page 31, line 21, strike out "The Authority shall make loans," strike out all of lines 22, 23 and strike out through the word "projects" on line 24 and insert in lieu thereof:

Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it

13. Page 32, line 6, following the comma strike out "every contract for", strike out all of line 7 and strike out through "March 1, 1949," on line 8, and insert in lieu thereof "every such contract".

14. Page 32, line 24, insert a comma following the word "shall" and the following "if the Authority so requires,".

15. Page 35, line 5, immediately following the word "Act" and before the close parenthesis insert "and notwithstanding any other provisions of law".

16. Page 35, line 17, strike out "provisions of this Act" and insert in lieu thereof "first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c)".

17. Page 41, lines 17 and 18, strike out "not to exceed in any fiscal year an additional amount of" where such appears therein and insert in lieu thereof "additional amounts aggregating not more than".

18. Page 42, line 17, strike out "not to exceed in any fiscal year an additional" and insert in lieu thereof "additional amounts aggregating not more than"; and on line 20 strike out "not to exceed in any fiscal year" and insert in lieu thereof "amounts aggregating not more than".

19. Page 43, line 4, strike out "development" and insert in lieu thereof "commencement of construction".

20. Page 43, line 24, before the comma following the word "exemption" insert "and the authorization of payments in lieu of taxes".

21. Page 44, line 10, strike out "contributions were payable" and insert in lieu thereof "contribution dates occurred"; and on lines 22 and 23 strike out "contributions are payable" where such appears therein and insert in lieu thereof "contribution dates occur".

22. Page 45, line 21, strike out "families" and insert in lieu thereof "families".

23. Page 48, immediate following line 11 insert the following new section 208:

TRANSFER AND OPERATION OF LABOR CAMPS

SEC. 208. (a) Section 2 (d) of the Farmers' Home Administration Act of 1946, as amended; section 43 (f) of the Bankhead-Jones Farm Tenant Act, as amended; and Public Law 298, approved July 31, 1947, are repealed effective as of the date of the transfer of the property and funds authorized hereunder.

(b) The United States Housing Act of 1937, as amended, is hereby amended as follows:

(1) By adding the following new subsection (f) to section 12:

"(f) There is hereby transferred to the Authority, effective not later than sixty days after the effective date of the Housing Act of 1949, all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to all labor supply centers, labor homes, labor camps, and facilities held in connection therewith and heretofore administered by the Secretary of Agriculture, for use by the Authority as low-rent housing projects in rural nonfarm areas for families and persons of low income. Such projects when so transferred shall (notwithstanding any other provision of law) be low-rent housing projects subject to the provisions of this Act, except as otherwise provided in this subsection. Any or all of the accommodations in any of such projects, other than standard family dwellings as determined by the Administrator (where preference shall also be given migratory farm workers and their families), may be reserved for rental to migratory agricultural workers and their families and the rents of the accommodations so reserved shall not be higher than such workers can afford. The provisions of the second and third sentences of subsection 2 (1) of this Act shall not be applicable to the occupants of accommodations other than standard family dwellings. The Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this Act, including disposal of any such project to a public housing agency for a consideration consisting of the payment by the public housing agency to the Authority during a term of not less than twenty years of all income therefrom after deduction of the amounts necessary for (i) reasonable and proper costs of management, operation, maintenance, and improvement of such project, (ii) payments in lieu of taxes not in excess of 10 per centum of shelter rents, (iii) establishment and maintenance of reasonable and proper reserves, and (iv) the payment of currently maturing installments of principal and interest on any indebtedness incurred in connection with such project by the public housing agency with the approval of the Authority. Pending sale or lease of said projects to public housing agencies, the Authority may continue present leases and permits, or may enter into new leases with public bodies or nonprofit organizations for the operation of such projects. Pending sale of such projects, the Authority may make any necessary improvements thereto and may pay any deficits incurred in their improvement and administration out of any of the funds available to it under this Act. Appropriations to reimburse the Authority for any amounts expended pursuant to this subsection, in excess of the funds transferred with such projects, are hereby authorized.";

(2) By inserting in subsection 12 (b) following the word "Federal" the words "low-rent housing";

(3) By inserting in the first sentence of subsection 12 (c) following the word "Federal" the words "low-rent housing";

(4) By deleting in subsection 12 (d) the word "project" in the three places where it occurs and substituting the word "projects"; and

(5) By deleting from subsection 12 (e) the word "any" where it first occurs and substituting therefor the word "the", and by deleting the word "project" in the two places where it occurs in subsection 12 (e) and substituting the word "projects".

(c) All unexpended balances of funds available for the maintenance, operation, and liquidation of the properties transferred hereunder and for administrative expenses in connection therewith shall be transferred, upon the transfer of such properties, to the Public Housing Administration to be available, until expended, in accordance with the provisions of the United States Housing Act of 1937, as amended.



24. Page 53, line 12, strike out "321b" and insert in lieu thereof "321n".

25. Page 54, line 6 after the period on said line insert the following new sentence:

To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

26. Page 55, immediately following line 8 insert the following new section:

SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

27. Page 72, line 8, strike out "51" and insert in lieu thereof "501".

28. Page 73, lines 19, 20 and 23 and page 75, lines 2, 3 and 6, strike out "moneys" where such appears in each place therein and in each instance insert in lieu thereof "monies".

29. Page 77, lines 3 and 4, strike out "the State or" where such appears therein.

30. Page 78, immediately following line 8 insert the following new sections, section 508 and section 509:

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### DISTRICT OF COLUMBIA PARTICIPATION

SEC. 509. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and II of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants, pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to

loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under



title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949."

31. Page 84, line 6, strike out "508" and insert in lieu thereof "510"; and on line 10 strike out "509" and insert in lieu thereof "511".

## I. HISTORY OF THE LEGISLATION

### HEARINGS ON BILL

H. R. 4009 is one of the large number of housing bills which have been referred to your committee on Banking and Currency during the first session of the Eighty-first Congress. The bill would establish a national housing policy, would provide Federal financial assistance for the clearance of slums, for low-rent public housing, and for rural housing, and would authorize a comprehensive program of housing research. These are, in substance, the unenacted provisions of housing legislation which, previously, have received extensive study by the Congress, have been passed three times by the Senate, and which were also approved last year by this committee in the Eightieth Congress (H. R. 6888, Rept. No. 2340). In view of the long consideration and widespread approval which these proposals had already received, and in view of the further fact that they are designed to meet several of the most urgent problem areas in the field of housing, it was the judgment of your committee that first attention should be directed to H. R. 4009 before taking up various other housing proposals consisting, in the main, of further improvements to financing aids for private housing.

Hearings on H. R. 4009 were held by your committee during the period from April 7 through May 9. Your committee heard testimony by a great number of witnesses and was impressed not only by the overwhelming support of its provisions from spokesmen of a wide variety of citizen groups, but also by the increasing acceptance of its major objectives even by industry leaders who disagreed with detailed provisions.

In addition, your committee had the benefit of evidence gathered by several congressional committees over a period of five years regarding the nature of the housing problem and various solutions which have been proposed. These studies and findings are summarized in the following paragraphs.

### SEVENTY-NINTH CONGRESS

In July 1945 the House Special Committee on Postwar Economic Policy and Planning submitted its report on Postwar Public Works and Construction. The conclusions of this special committee with respect to the matters covered by titles I and II of the bill now being favorably reported were as follows:

The Government should establish the legal basis upon which State and local jurisdictions may be encouraged to undertake a systematic program of community development in which the stimulation of low-rent housing occupies a major place. This program contemplates local initiative in construction, financing and opera-

tion. The responsibility of the Federal Government should be to provide incentives through the purchase of a percentage of the construction bonds, or yearly payments over a specified period to the local authorities of the difference between the income from rentals and the costs of operation, including interest and amortization on capital indebtedness.

In 1946, during the second session of the Seventy-ninth Congress, the Senate, following recommendations both of its Committee on Banking and Currency and of the Subcommittee on Housing and Urban Redevelopment of the Senate Committee on Postwar Economic Policy and Planning, passed S. 1592, known as the Wagner-Ellender-Taft bill. The bill contained a declaration of national housing policy and objectives and provided for the establishment of a permanent over-all Federal Housing Agency, the continuance and improvement of Federal financing aids to encourage long-term mortgage financing, the establishment of Federal yield insurance for privately owned rental housing, the extension of Federal financial assistance for additional low-rent public housing under the United States Housing Act of 1937; the establishment of Federal financial assistance to help cities eliminate slums and blighted areas; the development of plans for an attack on deficiencies in farm housing and the authorization of a comprehensive Federal research program in housing.

In the House, the Banking and Currency Committee was unable to conclude hearings on S. 1592 before the adjournment of Congress.

#### EIGHTIETH CONGRESS

Legislation closely paralleling the Wagner-Ellender Taft bill was introduced during the first session of the Eightieth Congress. Before acting on these bills, the Congress decided to conduct a further investigation of the housing problem. In July of 1947, the Eightieth Congress created the Joint Committee on Housing, consisting of seven members of this committee and an equal number from the Committee on Banking and Currency of the Senate. This committee held hearings in 33 cities in all sections of the country and received more than 6,000 printed pages of testimony. In addition, several of its members conducted special studies on specific aspects of the housing problem.

The legislative recommendations of the Joint Committee on Housing (H. Rept. 1564, 80th Cong., 2d sess.) corresponded closely with, and strongly supported, the major provisions of S. 1592 considered by the Seventy-ninth Congress, and of the successor bill S. 866 which was pending in the last Congress.

S. 866, Eightieth Congress, was modified to conform to the recommendations of the Joint Committee on Housing and was approved by the Senate in April 1948. The House Banking and Currency Committee held further extensive hearings from May 3 through June 8, 1948. At the conclusion of these hearings, this committee reported favorably H. R. 6888, a substantially similar bill. This bill, however, was tabled by the Committee on Rules.

In August of 1948, during the special session of the Congress called by the President, with comprehensive housing legislation as one of its principal purposes, the Congress enacted the Housing Act of 1948, which incorporated some of the provisions of the legislation, the history of which this report has traced. The enacted provisions



included most of the private financing aids contained in the earlier legislation as well as a limited program for housing research directed at building codes and standardized measurements. However, the Housing Act of 1948 did not contain the proposed provisions of the earlier legislation for slum clearance, low-rent public housing, farm housing, or comprehensive housing research, nor did it contain provisions establishing national housing policy and objectives. The unenacted portions of these earlier comprehensive housing bills are the subjects covered by the major titles of the bill now being favorably reported by your committee.

## II. MAJOR SUBJECTS COVERED BY H. R. 4009

Your committee is convinced, from the evidence presented during the recent hearings and made available from previous studies of the housing problem, that this bill, in combination with existing legislation, will provide a sound foundation for a comprehensive housing program. The bill covers five major subjects.

First, the bill would set forth a declaration by the Congress of our national housing objectives and the policies to be followed in attaining them. Such a declaration, your committee believes, is warranted by the importance of housing to the growth, wealth and security of the Nation.

Second, the bill would authorize Federal loans and grants to enable communities to make an effective start on the clearance of slums and blighted areas. The overwhelming evidence, both from the lack of progress generally throughout the country and the testimony presented to the committee, is that Federal financial assistance is essential if local communities are to deal effectively with this problem.

Third, the bill would authorize Federal financial assistance to communities in order that they may resume local programs of low-rent public housing. This assistance offers the only hope within the foreseeable future of providing adequate housing for urban and rural nonfarm families of low income who are inadequately housed.

Fourth, the bill would authorize a comprehensive program of technical research and studies in housing, directed particularly at obtaining progressive reductions in costs which now prevent private enterprise from serving a larger portion of the need.

Fifth, the bill would extend Federal financial assistance for the provision of decent housing for farm families who do not otherwise have means of obtaining adequate shelter.

Your committee recommends the enactment of H. R. 4009 as essential to any effective housing program which will contribute toward increasing and improving the general supply of housing throughout the country. Your committee does not claim that this legislation deals with all facets of the housing problem, either alone or in combination with legislation already enacted. During its hearings on H. R. 4009 the committee received many helpful suggestions as to additional legislation and has before it bills which deal with other phases of housing not covered in H. R. 4009.

## III. THE HOUSING NEED

There is little disagreement that housing constitutes one of the Nation's most serious economic and social problems today.

Although the seriousness of the Nation's housing situation has been high-lighted since the end of the war by the urgent housing problems of returning veterans, the basic problem itself is not a new one. It has been building up over several decades. It results from the fact that over the years we have never been able to produce enough housing at prices which a large proportion of the American people can afford. Consequently, housing has never been replaced as rapidly as it should, and many families have been obliged to live in wholly inadequate and unsuitable accommodations.

Unfortunately, the effects of poor housing leave their heaviest imprint upon the millions of children who are being obliged to spend their formative years either in dreary, unhealthful slums, or in overcrowded dwellings in which normal family life cannot be achieved. The maintenance of our way of life and our aspirations as a people and a democracy depend to a large extent upon these children whose attitudes and minds are being formed for the future in the homes of today.

In attempting to get some measure of the magnitude of our present and prospective housing requirements, your committee had available to it the comprehensive studies and investigation of the Joint Committee on Housing. This data and other material made available to your committee leads to the conclusion that the Nation must be prepared to build or rehabilitate at least 1,300,000 nonfarm dwelling units and between 200,000 and 300,000 farm units a year each year from now to 1960, if substantial progress is to be made in bettering our housing conditions.

The latest Census Bureau reports show that, in April of 1947, after deducting seasonal accommodations and houses held off the market for one or another reason, effective nonfarm-housing inventory for year-round use was about 32,729,000 dwelling units. When allowance is made for the fact that about 2,100,000 new and converted units were added to the supply since April 1947, the effective nonfarm-housing inventory at the beginning of 1949 is estimated at 34,829,000 units (table 1).

Looking ahead to 1960, the Bureau of the Census estimate that there will be approximately 39½ million nonfarm families which will require separate housing. When allowance is made for a sufficient number of vacancies to provide for reasonable freedom of choice in the selection of the size and type of home desired, this means there will be need for an effective housing supply of approximately 41,100,000 nonfarm dwellings in 1960. Just to keep up with the increase in the rate of family formation, therefore, we will require 6,300,000 additional nonfarm units to our inventory between now and 1960.

If no more than this is accomplished, the quality of our housing supply would be worse in 1960 than it is today. No progress would have been made in eliminating the substantial number of units which fail to come up to any decent American standard. Nor would anything have been done to cope with those currently adequate units which will deteriorate during the years ahead.

Currently available data does not permit a full statistical measurement of all deficiencies in the housing inventory. However, a conservative measure of the number of substandard nonfarm units which need to be replaced or rehabilitated is the number of nonfarm units which the Census Bureau data indicates need major repairs, together



with those units in urban areas which, although not needing major repairs, lacked inside private bath and flush toilet. In April 1947 approximately 5,600,000 units, both occupied and vacant, were in these two categories.

This figure fails to take into account, however, substandard or inadequate housing in the densely populated suburban communities which surround most of our large cities but which are not included in the Census Bureau statistics for urban places.

It also fails to include the effects of continued use upon old houses which today are in satisfactory condition. In this connection, your committee calls attention to the fact that the Joint Committee on Housing concluded that an allowance of 2,000,000 units is a conservative estimate of the additional replacement or rehabilitation needed to cover these two categories.

Allowance should also be made for the replacement of housing lost as a result of disaster or similar causes, and of temporary war and veterans' housing units not a part of the permanent housing supply. The replacement of these units, together with the rehabilitation and replacement of substandard housing, brings up to some 14,725,000 units (or an average of slightly more than 1,300,000 units a year) the total job that would have to be done in nonfarm areas by 1960 to make substantial progress in meeting the housing problem.

Your committee appreciates the fact that the problem is not limited to nonfarm areas, and that a distressingly large proportion of farm housing fails to measure up to minimum standards for health and decency. Some of the worst overcrowding occurs in farm housing. Some of the most dilapidated housing is to be found in rural communities.

In April 1947 the Census Bureau survey showed that 1,400,000, or roughly one-fifth of all farm dwellings, were in need of major repairs, and in addition, over half the units not in need of major repairs failed to have running water, bathtubs, or inside toilets. On the basis of the census statistics and testimony presented in the course of the hearings, it appears that between 2 and 3 million farm homes will need to be built or rehabilitated between now and 1960.

All told, the total job, including both nonfarm and farm housing, involves the construction, conversion, or rehabilitation of some seventeen to eighteen million dwelling units (table 2).

TABLE 1.—*Effective nonfarm housing inventory as of beginning of 1949 (in thousands)*

Total number of nonfarm dwelling units, April 1947, according to Bureau of Census.....	1 34, 248
Subtract:	
Uninhabitable dwellings.....	137
Seasonal cottages, hunting lodges, etc.....	991
Vacant units held off the market (boarded up mansions, units sold or rented but not yet occupied).....	391
	1, 519
Effective supply of housing to meet nonfarm needs of as April 1947.....	32, 729
Add: Estimated additions to supply in 1947 and 1948 through new construction and conversion.....	2, 100
Estimated effective nonfarm supply, beginning of 1949.....	34, 829

<sup>1</sup> U. S. Bureau of the Census: Current Population Reports, series P-70 No. 1. Housing Characteristics of the United States, April 1947, table 1.

TABLE 2.—*Housing needs of the United States in 1960 (in thousands)*

Number of nonfarm families which will require housing in 1960--	<sup>1</sup> 39, 500
Add: Allowance for 4 percent effective vacancy rate for rent or sale-----	1, 600
Total effective supply of dwelling units needed in 1960----	41, 100
Subtract: Estimated effective supply, beginning of 1949 (from table 1)-----	34, 829
Net additional number of units which need to be added to the supply by 1960 to keep up with rate of family formation-----	6, 271
Add: Total replacement and rehabilitation need (from table 2) --	8, 470
Total nonfarm new construction conversion and rehabilitation need-----	14, 741
Add: Total farm new construction and rehabilitation need-----	2, 000-3, 000
Total United States housing needs to 1960-----	16, 741-17, 741

<sup>1</sup> Bureau of the Census estimate of nonfarm families.

#### IV. DECLARATION OF NATIONAL HOUSING POLICY

Since the establishment of the Home Loan Bank System by the Seventy-second Congress in 1932, every successive Congress has given attention to housing, and numerous measures dealing separately with various aspects of the housing problem have been enacted. A great part of this legislation was originally enacted to deal with acute problems which became apparent during national emergencies, including the economic crisis of the early thirties, the necessity of shelter to meet the production requirements of World War II, and the postwar veterans' housing emergency. It is now well recognized that housing is not a temporary problem which can be solved by emergency measures; that it requires a comprehensive, long-range program.

Some of the programs of strictly emergency or experimental character have been discontinued and have been or are being liquidated. But from a considerable part of this legislation have emerged permanent programs which have been continually revised and improved by the Congress to serve changing needs. These include a system of aids to home financing institutions which is administered by the Home Loan Bank Board; the credit insurance programs of the Federal Housing Administration; and the low-rent public-housing program administered by the Public Housing Administration.

Underlying the development of these programs, as well as the establishment of several emergency programs, has been the implied recognition that the well-being and security of the home are matters of national public policy, and that the stability of the home-building industry is essential to the health of the economy.

There has never been, however, a statement by the Congress of the national housing objectives or of basic policies as to the respective spheres of activity for industry, labor, communities, and the Federal Government in the attainment of those objectives.

Your committee believes that such a declaration of national housing goal and policies is needed. It would provide a frame of reference for the use of the Congress, the administrative agencies, the local communities, and industry and labor in appraising housing activities and progress.



The policy declaration in H. R. 4009 reflects the 17 years of experience by the Federal Government in housing activities and the consideration which has been given to basic legislation during the last few years. Your committee notes that such policy declarations were contained in the comprehensive housing bills referred to this committee during the Seventy-ninth Congress and the Eightieth Congress and that a similar declaration was recommended by the Joint Committee on Housing. The statement in H. R. 4009, while it contains certain improvements, is in full accord with those earlier declarations and recommendations.

The policy declaration in H. R. 4009 states that the general welfare and security of the Nation require the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. It recognizes the necessity of attaining a rate of housing production sufficient to overcome the serious housing shortage and to replace slums and other inadequate housing, and to enable the housing industry to make its full contribution to an economy of maximum employment, production, and purchasing power.

In defining the policy to be followed in attaining this national housing objective, the bill recognizes that primary reliance has been and must continue to be on private enterprise. It provides that private housing enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance should be utilized to the extent feasible to enable private enterprise to serve more of this need. Furthermore, the bill calls for assistance to communities in undertaking positive programs to encourage the production of lower cost housing of good quality.

The definition of national policy also includes the extension of Federal assistance for slum clearance and for the provision of decent housing for low-income families in cities and rural areas, to the extent that those needs cannot be met through reliance upon private enterprise.

To obtain further assurance that all housing activities of the Federal Government, at the regional and local levels as well as in Washington, will be administered within the letter and the spirit of this defined national policy, the policy declaration contains a specific congressional charge and directive to the administrative agencies of the Federal Government to exercise all powers, functions, and duties with respect to housing, so as to encourage and assist the attainment of the following specific objectives:

1. The production of housing of sound standards of design, construction, livability, and size for adequate family life;
2. The reduction of the costs of housing without sacrifice of such sound standards;
3. The use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction;
4. The development of well-planned, integrated residential neighborhoods and the development and redevelopment of communities; and
5. The stabilization of the housing industry at a high annual volume of residential construction.

Such a declaration of national housing policy can provide the necessary guide lines now lacking for the concerted and sustained efforts

by industry, labor, communities, and the Federal Government which are required to help overcome the national housing problem. It will define our policies and objectives not only for the substantive programs contained in the pending bill, but likewise for existing programs and for the further legislation which the Congress will consider in the future.

## V. SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### NEED FOR A SLUM-CLEARANCE PROGRAM

The provisions of this title offer, for the first time, a greatly desired, but long-delayed, program to eliminate the Nation's slums. Today about one-fifth of our city families live in slums and blighted areas. They obviously do not live there by choice. They live there primarily because only in the slums can they find any sort of housing accommodations at prices and rents which they can afford to pay.

From city after city throughout the country has come evidence of the extravagant wastes of human and other resources arising from slum conditions. Slums and blighted areas foster delinquency, disease, and crime, the effects of which can only be partly measured in the statistics available to your committee. They create demands for welfare, fire, police, and other financial outlays greatly in excess of the revenues which cities receive from them.

Communities have long been aware of the social and economic costs of these areas but have been unable to take effective steps toward their eradication because of their inadequate resources. A few, like Baltimore, have attempted to alleviate these conditions through the exercise of local police power in requiring the compulsory repair or closing of substandard housing. Such efforts frequently have been credited with offering an adequate solution to the problem. While your committee believes that all cities should utilize effectively police powers to mitigate some of the worst effects of slums and to help prevent their spread, it is convinced, from the overwhelming evidence presented by mayors and from many others, that this method alone will eliminate neither the slums nor the conditions which they create. The committee was impressed by the testimony of the mayor of Baltimore as to the limitations of law enforcement as a solution to the slum problem. He stated:

The Baltimore plan might be compared to first aid administered in the temporary absence of a doctor, which would not be necessary if the doctor were present to begin with, and which in no way eliminates the eventual need for the doctor's services.

Your committee is convinced that the only way by which slums may be effectively eliminated is by the public acquisition and clearance of slum areas and by assuring that they will be redeveloped in accordance with sound plans as to land uses, density, and other factors contributing to good neighborhoods, and be properly related to the growth and development of the city as a whole.

Because of their present intensive use, the prices which must be paid for slum and blighted areas, together with the costs of clearing and preparing them for reuse, will generally exceed the return which will be realized from sale or lease of the land for appropriate redevelopment.



These are the costs which prevent slum clearance from being a profitable venture for private enterprise. These are the costs which, together with the large capital outlays required, have prevented the local communities, with very few and limited exceptions, from moving ahead with this task within their own limited resources.

The objective of the programs contained in title I of this bill is to provide the necessary financial assistance that will enable local communities to make an effective start toward eradicating the slums. The overwhelming evidence presented to this and other congressional committees is that only through such Federal assistance can substantial progress be made in dealing with this problem.

It is in the national interest that no further delays in starting an effective attack on the slum problem should be countenanced. Slum clearance is a time-consuming process and any further postponement of the already long-delayed start in meeting this problem would merely set back for a further indefinite period any hope for progress toward its ultimate solution.

#### FEDERAL ASSISTANCE AUTHORIZED IN H. R. 4009

H. R. 4009 would authorize the Housing and Home Finance Administrator to assist localities in carrying out slum-clearance projects. The appropriate local public body in each city would select the project areas, prepare the redevelopment plans, acquire the project sites, and prepare them for disposition for redevelopment. The role of the Federal Government would be restricted to the making of loans and capital grants, furnishing technical assistance, and assuring compliance with statutory requirements.

Federal loans would be utilized to finance the capital cost of acquiring, clearing, and preparing the sites for appropriate reuse. The grants would help the local communities absorb the losses which represent the difference between the costs of the slum-clearance operation and the reuse value for which the land is sold or leased for redevelopment.

The loan authorization aggregating \$1,000,000,000 would become available over a 5-year period, with \$25,000,000 becoming available on July 1, 1949, \$225,000,000 on July 1, 1950, and further amounts of \$250,000,000 on July 1 of each of the three succeeding years. The bill permits the initial loan authorization, and any of the authorized increases therein becoming available in any year, to be increased (subject to the total loan authorization of \$1,000,000,000), at any time or times, by not to exceed additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

The capital-grant authorization totals \$500,000,000 and would become available in five annual installments of \$100,000,000 beginning July 1, 1949. The bill permits the initial capital-grant authorization, and any of the authorized increases therein becoming available in any year to be increased (subject to the total capital-grant authorization of \$500,000,000), at any time or times, by not to exceed additional amounts aggregating not more than \$100,000,000 upon a determina-

tion by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

#### HOW THE FEDERAL ASSISTANCE WOULD BE USED

Under H. R. 4009, Federal assistance would be available only to finance the costs of acquiring and clearing slum sites and preparing them for redevelopment; none of the funds would be available to finance the construction of buildings on the cleared sites (except that temporary loans may be used to finance certain public facilities for open sites as indicated below).

Temporary Federal loans would be available to finance the costs of planning of local projects, land acquisition, and the clearance and preparation of the sites for reuse. On disposition of the land for redevelopment, the temporary loans would be repaid out of the proceeds of sale of the land (or, in the case of lease, from the proceeds of long-term loans), the Federal grants, and the local cash contributions.

Long-term Federal loans would be available to refinance, on the basis of the reuse value, portions of the sites which are leased and would be secured by the rentals from the leased land.

The net loss involved in this slum-clearance operation would be shared by the Federal Government and the local community on a 2-to-1 basis. Thus, the Federal grants may not exceed two-thirds of the losses on all clearance projects undertaken in any one locality. The balance of the losses must be borne by the local public agencies either in cash or through contributions other than cash, such as the provision of parks or schools necessary to support the new uses of the land, the construction or relocation of streets and utilities or the use of municipal labor and equipment for the clearance operation.

Evidence before your committee indicates that a substantial write-off of excessive costs will be necessary if redevelopment of the slum areas is to be in accordance with the appropriate uses. In the light of the best informed judgment as to the ability of the cities to contribute to slum-clearance programs, therefore, your committee is convinced that the 2-to-1 sharing formula is necessary if the purposes of the program are to be achieved. It is obvious that the aid extended must be sufficient if the program is not to be self-defeating. If it is inadequate, it would either prevent the initiation of local slum-clearance projects or, by forcing the overbuilding of the redeveloped areas, make them susceptible to deterioration into slums again in the future.

The evidence presented to your committee on behalf of the United States Conference of Mayors and by other city officials, as well as the findings of previous congressional investigations of this matter, afford convincing evidence that any change in this sharing formula to require larger contributions by the cities would severely restrict or defeat the basic objective of this program.

The clearance of land in residential slums in central city areas and its redevelopment in accord with a plan for the most appropriate use of the land, such as for housing of less density, for industry or for public purposes, will necessitate a dispersion of a considerable portion of the families now living in such areas. Your committee is convinced



that Federal assistance for the acquisition and preparation of open and predominantly open land to be developed for predominantly residential use is essential so that adequate provision can be made for the necessary dispersion of some portion of the central city population. In the case of predominantly open land, both loans and capital grants are authorized, but in the case of open land no capital grants may be made. As already noted, the bill authorizes temporary loans also to finance schools or other public facilities necessary to serve or support the new uses of open or predominantly open land. Such loans are to be repaid with interest as soon as the development of the area and its tax base permits the appropriate local body to refinance the loan from the proceeds of a regular bond issue, and in any event within 10 years.

#### SLUM CLEARANCE AND HOUSING

While the slum-clearance program provided in this title is separate from those provisions dealing directly with housing, your committee wishes to emphasize that the primary justification for Federal assistance for this purpose is the improvement of housing conditions for urban families. This program must be conducted in such a manner that it will contribute to, rather than detract from, this essential objective. H. R. 4009 would assure the adherence to the primary housing purpose in two principal respects.

In the first place, the bill clearly recognizes that the clearance of slums and the provision of decent housing for families who live in them are inseparable. Any slum clearance which fails to assure adequate housing for the families who presently live in slums would be merely forcing them into worse conditions. This applies with particular force to families of minority races for whom the problems of relocation are particularly difficult.

The slum-clearance program, therefore, is set in the context of a bill which has as one of its major purposes the provision of adequate housing for such families. There are, in addition, three specific safeguards. First, the extension of Federal financial aid to a local public agency for slum clearance is prohibited unless a feasible method is provided for the temporary relocation of families displaced from project areas and unless permanent housing has been or is being provided for them either in the project areas or elsewhere. The permanent housing must consist of decent, safe, and sanitary dwellings which are located in areas not generally less desirable in regard to public and commercial facilities and which are available at rents and prices within the financial means of displaced families. Second, the demolition of residential structures in slum-clearance projects is prohibited prior to July 1, 1951, if the local governing body determines that undue hardship would result. Third, first preference for occupancy of low-rent public housing projects assisted under this bill must be extended to families displaced from slum-clearance projects if they are otherwise eligible for admission.

The second basic principle relating the slum-clearance program to the major purposes of this legislation is through the restrictions on the nature of the projects for which Federal assistance may be provided. Federal aid to localities for slum clearance is restricted to those areas which are predominantly residential or which will be redeveloped for predominantly residential use. It is important to point out, however,

that this requirement will not interfere with but will rather assist the broad-scale redevelopment of our urban areas. Slums and blighted areas as they exist today are predominantly residential. It is also true that in residential slum-clearance projects, it will normally be necessary to include some adjacent nonresidential blighted areas in order to assure the proper kind of redevelopment.

The bill requires that the redevelopment plans for the locality afford maximum opportunity for private enterprise. Much of the construction required in connection with the development or redevelopment of these areas would be under private auspices, although there will necessarily be some public participation through the provision of schools, parks, and other public facilities, and of public housing where the localities determine that the sites are best suited for that use.

#### LOCAL RESPONSIBILITIES

As indicated above, H. R. 4009 fully recognizes the importance of local initiative and local responsibility. Your committee believes that local slum-clearance programs should be locally executed in such manner as to promote the achievement of the objectives stated elsewhere in this bill. Thus, in addition to providing the limitations already described, H. R. 4009 requires the Administrator in extending financial assistance to give consideration to the extent to which localities have encouraged housing cost reductions through the adoption, improvement, and modernization and other local codes.

The bill also requires that, in extending financial assistance under this title, the Administrator shall give consideration to local codes and regulations with respect to land use, minimum standards of health, safety and sanitation, and other matters relating to the prevention of the recurrence or spread of slums and blighted areas.

Your committee feels that maximum benefits from the Federal aids provided for slum clearance can be obtained only if excessive prices are not paid for the areas to be cleared. The bill therefore authorizes the Administrator to include in any contracts or instruments for financial aid such covenants, conditions, and provisions as will prevent the payment of such excessive prices, and requires that the provisions of the title be administered so as not to permit speculation in land holding. Further, your committee calls attention to the fact that the carrying-out of a slum-clearance and redevelopment project will naturally be a relatively long-term job. Accordingly, your committee fully expects that the administering agency will require that there be used every practicable device to assure that the prices paid by the local public agency for the land in the project area will be held at the absolute minimum. For example, once an area has been selected locally, the administering agency should require that the local government exercise its police power to the fullest possible extent in such area so that prices paid for the land will not reflect any excess values which may arise from uses in violation of local regulations as to health, safety, and sanitation.

#### VI. LOW-RENT PUBLIC HOUSING

Title II of the bill would extend the low-rent public housing program which was originally established by the United States Housing Act of



1937. That program would be augmented by the provision of an additional 1,050,000 homes for both city and rural nonfarm families who cannot afford to pay for adequate shelter—either in new or existing private housing.

#### HOW THE PUBLIC HOUSING PROGRAM OPERATES

The public housing program in the various localities is directly administered by local housing authorities which develop, own, and operate the low-rent projects. Local authorities are created pursuant to State law, and their members are usually appointed by the mayors of the respective localities. The basic responsibility for the provision of low-rent housing is thus reserved to the various localities. The role of the Federal Government is appropriately restricted to the provision of financial assistance to the local authorities, the furnishing of technical aid and advice, and assuring compliance with statutory requirements.

Two types of Federal financial assistance are provided under the United States Housing Act—loans and annual contributions. Loans may be made to assist local authorities in the capital financing of their projects, but under the proposed financing provisions of this bill it is expected that local authorities will be able to meet the great bulk of their capital requirements by the sale of bonds to private investors. The Federal loaning power will be used primarily in connection with the temporary financing of projects during the construction period.

The annual contributions paid by the Federal Government, together with the contributions made by local governments, serve to make up the difference between the rents which families of low income can afford to pay and the annual operating costs and debt service of the projects. The Federal contributions are limited to maximum amounts fixed in relation to the costs of the projects, but the amounts actually paid each year are restricted to the amounts actually needed in such year. On the basis of past experience, it is expected that, over a period of years, not more than two-thirds or three-quarters of the maximum amount will be required.

The local governments contribute to the reduction of rents through the complete exemption of the low-rent projects from all real and personal property taxation, subject to the making of small payments in lieu of taxes. Local contributions for the present projects under a similar system have averaged well over half the amount of the Federal contributions.

The present low-rent housing program has worked well in practice. It has taken families from the slums and has provided them with simple but adequate homes. It has provided these homes at rents within the means of low-income families, without forcing them to deplete their meager budgets for food, clothing, and other necessities. This program has received the almost unanimous support of public officials and public-minded citizens in the municipalities where it has operated.

#### NEED FOR PUBLIC HOUSING

The extension of the low-rent housing program as provided in title II of H. R. 4009 is a basic necessity if we are to move toward the goal of a decent home and suitable living environment for every American

family. As the Administrator of the Housing and Home Finance Agency stated in his testimony before your committee:

We cannot ignore the fact that there remains today, and will undoubtedly remain for years to come, a considerable percentage of our families whose incomes are so low that they must continue to live in slums or other inadequate housing unless we take action to prevent it. The breadwinners of most of these families are usually gainfully employed, and with proper budgeting their incomes are usually sufficient to supply all the basic needs of their families except adequate shelter. Adequate shelter is not available to these families because rents or prices charged for such shelter would represent an unduly and prohibitively high proportion of their limited income. The problem, both in its extent and nature, is not the sort which can be solved in the foreseeable future by private enterprise even with further possible financial aids.

The testimony presented to your committee makes it abundantly clear that the great majority of the families living in the slums do so only because they cannot afford to pay what private enterprise must charge for decent existing housing. The rents which they can pay represent an even smaller portion of what private enterprise would have to charge on the basis of a sound economic return if it were to supply new housing for these families from the slums.

Despite high postwar levels of employment and income, the reports of the Bureau of the Census show that 19.7 percent of urban families had money incomes in 1947 of less than \$2,000, while 30.3 percent had incomes of less than \$2,500. On the generally accepted rule that the cost of housing should, if possible, not exceed one-fifth of income, the average rent which the urban families in this lowest 30 percent income group can afford to pay would be approximately \$27 per month, including heat and all other utilities.

If the families now living in the slums are to be provided with decent homes, it is, therefore, evident that a large additional supply of adequate housing must be provided at rents which will average somewhat under \$30 per month, including all utilities. Your committee is convinced that this can be done only with the assistance of substantial public subsidies, both Federal and local. Your committee is equally convinced that the public interest amply justifies the provision of such subsidies.

#### PROGRAM AUTHORIZED UNDER H. R. 4009

The bill authorizes the construction of not to exceed 1,050,000 new low-rent dwellings in urban and rural nonfarm areas. This authorization will become available in 7 annual installments of 150,000 units. After weighing all the evidence presented to it, your committee has concluded that the number of dwellings authorized over the 7-year period is essential in view of the acute and urgent need for housing by underprivileged slum dwellers.

The bill authorizes the commencement of construction on the first installment of 150,000 units after July 1, 1949. Each year thereafter this authorization is increased by 150,000 units until the full program of 1,050,000 units is authorized in 7 stages. In order that the progress of the new program may be adjusted, if necessary, to changing economic conditions, the President is authorized (after receiving the advice of the Council of Economic Advisers as to the effect of such action on conditions in the building industry and on the national economy) to increase or to decrease any of such authorizations at



any time or times by amounts aggregating not more than 100,000 dwellings, provided that the total authorization can never exceed 1,050,000. Any of the authorizations could, accordingly, be increased by 100,000 units at any time, or, for example, it could be increased by 50,000 units at one time and increased by a further 50,000 units at a subsequent time; but, after any authorization was increased by a total of 100,000 units, no further increase could ever be made with respect thereto. Thus, under the provisions of the bill, the President can adjust any of the authorizations between a top limit of 250,000 units and a bottom limit of 50,000 units. In the event that the full number of starts authorized in respect to the beginning of any fiscal year was not fully used in that year, such authorization would, of course, remain effective for subsequent use, subject, of course, to the total limitation of 1,050,000 units.

The Public Housing Administration is authorized under the pending bill to enter into annual contributions contracts for \$85,000,000 after July 1, 1949. This limit will be increased by three annual increments of \$80,000,000 and a final \$75,000,000 on July 1, 1953. The total maximum contributions thus authorized would amount to \$400,000,000 per year. Although contracts may be written up to this maximum amount, it is expected that, on the average, the contributions actually paid will not exceed more than two-thirds or three-quarters of this amount. Subject to the total of \$400,000,000 per year, the authorization for annual contributions can also be accelerated by the President, and authorizations which become available at the beginning of one fiscal year may, if unused in such year, be carried over for subsequent use.

The total amount which the PHA may borrow from the Treasury and have outstanding at any time is increased to \$1,500,000,000, instead of the present authorization of \$800,000,000. It also places the borrowing power on a revolving-fund basis. This borrowing power will be used primarily to provide security for short-term loans made by the local authorities from private investors during the construction period. It is therefore anticipated that the funds actually borrowed from the Treasury will be very substantially less than the authorized amount.

#### AMENDMENTS RELATING TO SELECTION OF TENANTS

Almost 12 years' experience in the operation of the United States Housing Act has disclosed the desirability of a number of amendments to that act. H. R. 4009 therefore includes several amendments which your committee believes to be desirable improvements and which will make the United States Housing Act a more flexible and useful device for providing adequate housing for low-income families.

The first of these proposed amendments is designed to relate the public housing program to the new slum-clearance program. Low-income families who are displaced or are about to be displaced by public slum-clearance or redevelopment projects or by low-rent housing projects will be given a first preference for admission to low-rent housing. In this way, suitable dwellings will become available to families who are to be displaced and will aid slum-clearance projects in complying with the requirement in this connection which is included in the slum-clearance title. Since a positive program of slum clearance is

provided in the bill, the present requirements of the United States Housing Act as to the elimination of substandard dwellings in connection with low-rent housing projects would be repealed.

Preference in occupancy of low-rent public housing projects is provided for low-income veterans of World War II for a 5-year period, subject only to the preference to families displaced by slum clearance. As among such displaced families, veterans with service connected disabilities would have first preference, the families of deceased veterans whose death was service-connected would have second preference, and other veterans or servicemen would have a third preference. As among families who have not been displaced by slum clearance, veterans and servicemen would have similar preferences. Veterans are also exempt for a 5-year period from the requirement that they must have been living in substandard housing at the time of their admission.

Your committee was very favorably impressed by the testimony of witnesses representing the Paralyzed American Veterans with respect to the need for providing dwelling units in low-rent public housing projects which are adaptable for paralyzed veterans and others who are condemned to living their life in wheel chairs. The adaptation of dwelling units for such use would only require wider doors, larger bathrooms, and ramps in place of steps. Your committee is in full accord that provision for this unfortunate class should be made. In view of the fact that it would be inadvisable to require a statutory percentage of each project to be so reserved, due to the varying need for such facilities in different localities, your committee believes that the problem could best be handled by administrative determination in each project area after proper surveys and determination of need therefor. In this broad public-housing program the committee believes that provision should be made for these specialized cases.

Charges have been made from time to time by the opponents of public low-rent housing that the program does not actually serve families of low income. Your committee has found this charge to be unfounded in terms of actual experience, which will be reviewed briefly later in this report.

The pending bill, however, includes a number of requirements not now in the act which would give positive assurance that the program will serve only families of low income. For example, the bill requires that, before any contract for annual contributions can be made, the local housing authority must show a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed projects and the lowest rents at which private enterprise, unaided by public subsidy, is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

Your committee is convinced that private enterprise has never had anything to fear from public housing, and believes that the 20-percent gap provision represents a sound further reassurance that competition does not and will not exist between public housing and private enterprise.

Further, under the terms of the bill, local housing authorities will be required to set maximum income limits for the admission of tenants to low-rent housing. The authorities must also set maximum limits for continued occupancy, generally at a somewhat higher level than those for admission. All maximum income limits will be subject to



approval by the Public Housing Administration. In the case of limits for admission, the bill specifically provides that net family income cannot exceed five times the gross rent, including heat and all other utilities. In computing family income, a deduction of \$100 is allowed for each minor dependent. The incomes of all tenant families must be periodically reexamined; and, if their incomes exceed the maximum limits for continued occupancy, they are required to move from the project.

In selecting tenants, local housing authorities will be prohibited from discriminating against families whose incomes are derived in whole or in part from public assistance but who are otherwise eligible for admission. Moreover, in the initial selection of tenants for a project, the bill requires local authorities to give preference among eligible families to those with the most urgent housing needs, subject to the preferences to families displaced by slum clearance and to veterans.

#### AMENDMENTS RELATING TO CONTRIBUTIONS AND COSTS

In addition to the foregoing amendments, which leave no doubt whatsoever that only low-income families will be eligible for public housing, your committee desires to call particular attention to several other amendments to the United States Housing Act which will make substantial improvements in the operation of the public low-rent housing program.

Requirements governing local contributions have been perfected to take advantage of actual experience. The present act calls for local contributions equal to 20 percent of the Federal contributions and authorizes the local contributions in the form of cash, tax remissions, or tax exemptions. In practice they have always been made through the exemption of the low-rent projects from real and personal property taxes granted pursuant to State legislation. In view of this fact, and in order to put projects in all localities on an equal basis, the bill simply requires that projects be exempt from real and personal property taxes.

With respect to projects assisted under this title, the bill authorizes payments in lieu of taxes not in excess of 10 percent of shelter rents. This is the amount formerly authorized by the Public Housing Administration. In the judgment of your committee, this represents an amount which is both fair to the cities and at the same time assures an adequate local contribution through tax exemption. The bill also repeals the prohibition against any payments in lieu of taxes (other than amounts originally contracted for) which was included in the Government Corporations Appropriations Acts for 1948 and 1949 in respect to projects requiring Federal contributions in those fiscal years; and payments in lieu of taxes equal to 5 percent of shelter rents are authorized to be made retroactively as to these 2 years for all projects, whether or not Federal contributions were required for those 2 years.

A very necessary amendment in the bill revises the provisions relating to the capital costs of low-rent projects. The present dollar cost limits, adopted in 1937, are obviously unrealistic in view of present building costs. Accordingly, the bill raises the limitation on the cost of construction and equipment of dwelling facilities to \$1,750 per room.

It also authorizes an increase in this cost limitation by not more than \$750 per room in areas where it would not be feasible without such an increase to construct public housing without sacrifice of sound standards of construction, design, and livability, and where there is an acute need for such housing.

In reviewing the question of necessary increases in cost limits, your committee was presented with information on this subject by the Public Housing Administration. A number of local housing authorities requested their contractors to reestimate existing projects on the basis of the cost levels prevailing at the end of 1948. This study showed the following expected average costs per room of dwelling construction and equipment:

Cost per room:	<i>Number of projects</i>
\$1,000 to \$1,249.....	8
\$1,250 to \$1,499.....	7
\$1,500 to \$1,749.....	8
\$1,750 to \$1,900.....	7
\$2,000 to \$2,249.....	5

These figures indicate the wide diversity in costs which are to be expected in different parts of the country. The projects represented in these estimates range from very simple projects in small communities to large multifamily projects which are necessary in New York and other metropolitan centers.

These figures indicate that it will be necessary to go over the proposed normal limit of \$1,750 per room in only about one-third of the cases, and even then it will probably not be necessary to make full use of the additional authorized amount. The authorization to exceed the normal limit by \$750 per room is, however, in the opinion of your committee, necessary unless we are to risk depriving high-cost metropolitan areas, such as New York, Newark, Chicago, Detroit, Philadelphia, San Francisco, and Boston, of their rightful chance to participate in the program.

Your committee has noted the contentions sometimes advanced that the costs of public housing authorized in this title should be reduced to the lowest levels at which private housing is being produced.

Your committee does not believe that these contentions are realistic or well-founded. In the first place, the fact that some private housing is being produced in some sections of the country at prices of \$6,000 or \$7,000 does not establish that even in those sections housing of this type would be suitable for the intensive, long-term use required in public housing or for the wide range of family sizes which clearly should be accommodated in publicly assisted projects.

In the second place, these arguments ignore the fact that the public-housing program is a national program which must be workable in all sections of the country where there is a demonstrable need for such housing. Your committee calls attention to the fact that isolated examples of low costs cannot be accepted as a valid basis for a maximum cost limitation to cover all conditions everywhere in a country as vast and as varied as ours. It is well known that building conditions and costs vary greatly in this country. In some areas, climatic conditions permit lighter construction than in other areas. In some sections, the entire level of prices and incomes is lower than in others. It follows that while the costs of both private and public construction will be relatively low in some localities, any over-all limitation that



would have the practical effect of barring construction except in those areas would be manifestly unjust and unreasonable.

The bill also reduces the maximum period for loans and annual contributions from 60 to 40 years (except that 60-year loans may be made on projects not assisted by Federal annual contributions) and the maximum contribution rate is correspondingly increased. The shorter amortization period is expected to result in lower interest rates on local housing-authority bonds. The saving in total interest paid, as a result both of such lower rates and the shorter repayment period, will more than compensate for the increased contribution rate.

#### RURAL NONFARM AREAS

The housing needs of low-income families who live in rural nonfarm areas are as serious as those of low-income families in urban areas. Two provisions have, therefore, been written into the bill with specific reference to this problem. First, your committee has provided for a specific 3-year reservation of 10 percent of the authorizations for annual contributions contracts for rural nonfarm housing. Under this proviso, your committee expects the Public Housing Administration to undertake a program of assistance to local housing authorities in the provision of low-rent housing in rural nonfarm areas. Secondly, the bill provides for the transfer of farm labor camps administered by the Secretary of Agriculture to the Public Housing Administration for use as low-rent housing, and authorizes the reservation of all or a part of the accommodations in such camps, for migratory agricultural workers and their families. The bill requires that the rents for such accommodations as are reserved for migrating agricultural workers shall be amounts which they can afford to pay, and permits funds of the agency to be used to make up any deficits, and authorizes appropriations to reimburse agency funds for expenditures for such purposes.

#### RENTS ACHIEVED AND FAMILIES SERVED UNDER EXISTING LOW-RENT PUBLIC HOUSING PROGRAM

In recommending the foregoing amendments to the United States Housing Act of 1937, and in proposing an expanded program under that act, your committee is joining the many previous congressional committees which have, over the past several years, carefully considered the problem of rehousing slum dwellers, and have repeatedly reaffirmed the conclusion that a public low-rent housing program, aided by Federal and local governments, is the best solution to the problem.

In support of this conclusion, your committee wishes to call particular attention to the low rents which it has been possible to achieve under the present program, and to the low incomes of the families living in the projects.

Rents actually charged in the original low-rent projects, as shown by the Annual Report of the Public Housing Administration for 1947, averaged only \$27.24 per month, including substantially all utilities, such as heat, electricity, and gas. This was approximately \$1.25 per month less than the average rent charged in substandard dwellings in urban areas, and indicates that low-rent housing was being made

available at about the same prices which low-income families were accustomed to pay for slum housing.

The actual annual incomes of families in the original low-rent housing projects for the first 6 months of 1948 are shown in the following table:

*Annual incomes of families in low-rent housing projects, percent distributions and medians (Public Law 412 and PWA projects, first 6 months of 1948)*

Annual income	New admissions	Reexamination for continued occupancy		
		All tenants reexamined	Eligible to continue	Ineligible to continue
Percent distribution:	Percent	Percent	Percent	Percent
Under \$500.....	0.9	1.3	1.3	-----
\$500 to \$999.....	11.5	10.4	10.4	-----
\$1,000 to \$1,499.....	39.7	21.0	21.0	-----
\$1,500 to \$1,999.....	38.6	22.6	21.6	1.0
\$2,000 to \$2,499.....	8.2	18.6	14.1	4.5
\$2,500 to \$2,999.....	1.1	11.9	5.3	6.6
\$3,000 to \$3,499.....	-----	6.0	.3	5.7
\$3,500 to \$3,999.....	-----	3.4	-----	3.4
\$4,000 and over.....	-----	4.8	-----	4.8
Total.....	100.0	100.0	74.0	26.0
Median income.....	\$1,481	\$1,884	\$1,594	\$3,048

The income of the families admitted to the projects during the first half of 1948 are shown in the first column of this table. Over 52 percent of the families admitted had incomes of less than \$1,500, and only 9.3 percent had incomes in excess of \$2,000. The incomes of the families admitted averaged \$1,481.

The incomes of all the families living in the projects in the first half of 1948 (as shown by reexaminations of income) averaged \$1,884 per year. This average covers a substantial number of ineligible families then living in the projects whom it had been impossible to remove because of acute housing shortages, and because of a congressional prohibition against eviction which has since been repealed. All ineligible tenants are now being required to move from low-rent housing projects under a plan for gradual removal, pursuant to which they will all have received notice to vacate by the end of 1949.

In order to indicate how far down in the income scale public housing is actually reaching, it is interesting to compare the average incomes of tenants with the incomes of all urban families. The Bureau of the Census recently reported that in 1947 a figure of \$2,630 per year marked the top of the lowest income third of city families, while the average income of such families in the lowest third was \$1,789. The average income of \$1,481 of families admitted to low-rent projects at about the same time was 17 percent below the average income of all families in the lowest income third, while the income of eligible families living in the projects averaged 11 percent below the same figure. In short, it is clearly apparent that the families admitted to, and the families living in, public housing not only come from the lowest income third, but from the lower segments of that income group.

Based on evidence such as the foregoing, your committee is convinced that the present low-rent program has been a successful pro-



gram, that it is meeting the housing needs of low-income families on an economical basis, and that it should be expanded in accordance with the provisions of the bill favorably reported by your committee.

## VII. HOUSING RESEARCH

Research, which has made our Nation's competence in scientific development and industrial skills a subject of world-wide respect, should be more fully used on a larger scale to obtain more and better housing for all American families. In the judgment of your committee, this will require the authorization of a comprehensive Federal research program to the end that the already extensive facilities of our educational institutions, industry, foundations, private laboratories, and of government may be better coordinated and focused on the achievement of the housing objectives stated elsewhere in this bill. It is this kind of a Federal research program that is contemplated by this committee in title III of this bill.

The need for such a program has been emphasized repeatedly over the long period during which this legislation has been under consideration, and was a major recommendation of the Joint Committee on Housing. It has been supported during our recent hearings by witnesses broadly representative of the American people. Among these witnesses were several industry spokesmen who recognized the value of Government research to supplement the results of industry's own activities.

Perhaps the most persuasive argument for the type of research program authorized by the bill is the simple fact that all who have an interest in and responsibility for housing, need and will benefit from the results of such research. The homebuilder who faces the task of constructing more and better homes at lower prices to maintain his market will make better headway if he is in a position to apply the results of research into basic cost factors. Labor employed in home construction will be helped toward the goal of more stable employment at good wages. Better information resulting from research will help the lending institutions in the wise selection of investments for trustee funds, and it will help the producers and distributors of building materials and equipment who have been severely handicapped by the traditional boom-and-bust behavior of construction activity in the past. Governments—local, State, and Federal—need more sound factual information on which to evaluate the actions they should take in carrying out their respective responsibilities in housing.

Last year, Congress authorized a limited program of housing research. Under the terms of the Housing Act of 1948, the Housing and Home Finance Agency has undertaken research in the improvement and standardization of local building codes and in the standardization of the dimensions of homebuilding materials and equipment.

This program has permitted a start in long-needed research in two admittedly serious problem areas. While valuable and tangible results may be expected from the authorization for technical research in these two areas, your committee is convinced that a broader and more comprehensive research authority is needed. The answer to the housing problem will not come from limited engineering research alone. Important as it is to seek engineering and technological progress, we cannot overlook the fact that many of our housing difficulties are

economic in origin. Complementary means must be found to remove these obstacles if full use is to be made of the results of technical research. In this connection, your committee is in agreement with the testimony of the Administrator of the Housing and Home Finance Agency when he stated:

The housing problem has so many facets that it would be unrealistic to place all our hopes on any one field of action. Housing research must be broad enough to disclose the possibility of constructive action in every aspect of housing, whether it be engineering, financing, management, labor, local administration or Federal.

It is my belief that the Federal Government should therefore broaden its research and assume the leadership in analyzing all of the factors that in any way impede housing production, add to costs, prevent the improvement of our housing standards, or cast doubt on the value of housing as an investment. The formula of a progressively higher volume and lower unit costs is too successful in too many other American industries not to work in home building.

The research title clearly indicates that the Housing and Home Finance Administrator is to undertake a vigorous and realistic program of research into all of the recognized obstacles to the attainment of the housing objective set forth in the bill.

In recommending this title, your committee wishes to emphasize certain underlying considerations which will guide the administration of this legislation. In the first place, it is expected that responsible leadership will be exercised by the Housing and Home Finance Administrator in formulating and carrying out a program of comprehensive housing research. At the same time the bill recognizes that other Government agencies are now engaged in studies, experiments, and investigations which bear on one or another phase of housing, either directly or incidentally. The Public Health Service of the Federal Security Agency, the Construction Division, the Bureau of the Census and the National Bureau of Standards of the Department of Commerce, the Forest Products Laboratory of the Department of Agriculture, and the Bureau of Labor Statistics of the Department of Labor are examples. The bill calls upon the Housing Administrator to consult with and make recommendations to such other departments of Government concerning action which may be necessary to overcome existing gaps and deficiencies in the field of research. In addition, the Housing Administrator is authorized to undertake studies in cooperation with industry and labor, with agencies of State and local government, and with educational and other nonprofit organizations.

The committee also expects that the research conducted under the provisions of H. R. 4009 will be directed, insofar as possible, to those problems whose solution holds the best immediate promise of wide application by industry and local governments. It will, therefore, be necessary for the Housing Administrator to give special attention to the task of disseminating the research findings, and to promote widespread acceptance and use of the practical results of such research. This is extremely important, for the benefits sought to be achieved by this program cannot be fully realized unless the practical results of technical housing research are made available in usable form and are generally accepted and used.

In this connection your committee calls specific attention to the fact that the research title of the bill, like other titles of the bill, recognizes the basic local responsibility for housing. Thus, research in local building regulations, sanitary codes, etc., will be pointed



toward the development of better standards and model forms for the guidance of appropriate local officials. Communities will be assisted and encouraged to develop their own market surveys, and the results of major research activities will be made available for practical local application.

The foregoing approach does not represent a novel departure for governmental research activities. For a great many years, the Department of Agriculture has been responsible for a broad and continuing program of agricultural research. In discharging this responsibility the Department engages in direct research activities, utilizing the resources of other Governmental agencies where feasible, and works cooperatively with universities and other public and private research groups.

In carrying out a program of housing research, all available investigative devices must be put to work to identify the precise nature of the productive process carried on by housing enterprises. In many cases, it will be necessary to develop entirely new devices, and employ them in developing better methods of financing home production, model building regulations, health, safety, and sanitation codes, adequate guides for layout and planning, and many other such aids to the builder and the local officials with whom he must work. It is obvious that many lines of inquiry must be pursued simultaneously and that many different types of talent must be employed.

The evidence as to the research now being conducted in the housing industry presented to your committee did not disclose any indication that these activities were encompassing all of these problems, or that the results were being widely disseminated. Your committee does not feel that the complex nature of the housing industry permits this kind of a result. No particular segment of the industry is large enough or can have a broad enough economic stake to do the kind of a job that needs to be done.

In this connection, it must be recognized that most of the housing in this country is built by the relatively small-scale builder. In 1938 the Bureau of Labor Statistics reported that 86 percent of our home building was carried on by builders who constructed between 1 and 5 houses in a year. While the number of large-scale builders has undoubtedly increased since that time, particularly in the large metropolitan areas, all available evidence indicates that the large majority of our building is still done by the relatively small-scale builder. Therefore, any research program, to be truly effective, must take into account the production problems of both large and small builders, and must be concerned in considerable degree with the future development of more economical and efficient building organizations. And it must be directly concerned with getting the results of that research into the hands of the builders for practical application in actual operations.

The typical small builder today cannot afford to engage in research himself, or to overcome single-handedly, for example, the obstacles of over-elaborate building codes. Yet your committee believes that every possible encouragement should be given to these small builders, who comprise a substantial part of the Nation's small business enterprises, to expand their operations, and become better able to deal with technical, financial, and management problems. The results of technical, economic, and administrative research can be very useful to these

builders if they are made available to them. During its hearings the committee received concrete evidence of how Government research in only two design problems could result in substantial savings to American home buyers if applied by a considerable number of these builders throughout the country.

Your committee is firmly convinced that the research program contemplated under title III of the bill is highly desirable to facilitate housing progress. The research program offers the best promise of attaining real and lasting cost reductions through technological progress in an industry which, it is generally agreed, has lagged behind other American industries in this respect. It will result in a better understanding of complex market factors, and will provide the factual data and statistics needed to evaluate the magnitude of the housing problem and the relative success of efforts to meet it. It is a program which, under Government leadership, will bring real and lasting benefits to all those interested in housing—the consumer, as well as industry, labor, local governments, and the Federal Government.

### VIII. FARM HOUSING

Your committee regards the farm housing title of the bill as essential in dealing with the phases of the national housing problem covered in this bill. Heretofore, farm housing has been largely ignored both in our housing and our agricultural programs. It has been treated as a byproduct of efforts to increase production, improve the soil, provide power, or as a mere supplement to town-and-city-housing programs. The result has been, as all of the facts before your committee indicate, that the quality of farm housing as a whole is considerably below the standards of nonfarm housing.

Your committee is aware that the higher level of agricultural income in the past several years has raised the standard of living on the farm, and that a considerable amount of home improvement has resulted. However, despite this relatively improved financial position for farming as a whole, a large proportion of our farm families is still unable to obtain adequate housing. The committee is informed that even in 1947 more than 2,000,000 farm families produced farm products valued at less than \$1,500. It seems evident that most of these farm families would not be able to improve their housing conditions without financial assistance along the lines provided for in this title of the bill.

In 1947, also, 19 percent of our farm housing was in need of major repairs, as compared to 8 percent in the case of nonfarm housing. Overcrowding, which is usually associated with cities, was proportionately twice as prevalent in farm housing as in nonfarm housing. Only 1 out of 5 farm dwelling units had both private bath and flush toilet compared to 73 percent of nonfarm housing. Two-thirds of our farm dwellings lacked running water. Only 3 out of 5 had electric lights.

Improvement of farm housing standards is essential to a sound and secure rural economy, and to attract and maintain on the land a productive type of person.

One reason that farm housing problems, as such, have received less attention thus far than those of urban areas is the peculiar and specialized nature of farm housing. The farm home must be considered as



part of the income-producing property and plant from which the farm family derives its livelihood. Measures designed to serve nonfarm housing needs are therefore not adaptable to meet the different basic conditions with respect to farm housing needs.

The farm housing program provided for in the bill, while small in relation to the need, will make possible a significant start in the improvement of farm housing. At the same time it will provide positive experience through which this approach can be progressively developed and improved. In recognition of the particular considerations which surround the farm housing problem, title IV has been designed to meet the three major types of farm housing situations, and its administration has been placed under the Department of Agriculture, where it can be appropriately related to other farm services and programs, in particular to the farm rehabilitation programs of the Farmers Home Administration.

The three types of assistance provided under the bill are:

1. For owners of self-sustaining farms who are unable to obtain from other sources the financing needed to provide adequate housing for themselves or their workers, or for other farm-building improvements, loans are provided with terms up to 33 years and at not more than 4-percent interest. Such loans may be secured by the farmers' equity in the farms.

2. For owners of farms not self-sustaining at the time but which offer reasonable prospects that they can be made self-sustaining, by improved farm practices or by farm enlargement or development, loans of a similar type are provided, with annual contributions available as a supplement where needed for a period of not more than 10 years.

3. The third type of assistance proposed relates to farms that offer no practical prospect of being made self-sustaining. Small loans, and a limited amount in outright grants, are made available for families residing on such farms. The purpose of this assistance is not to provide new or even adequate housing of a permanent nature, but to make it possible for families to make such repairs and necessary improvements to their substandard housing as will furnish them and the rural community at least essential health protection and decent minimum shelter. Such loans and grants are limited in amount and are to be used for such purposes as proper sanitation, a pure water supply, screens, tight roofs, and similar minimum repairs or improvements. Your committee calls attention to the fact that this is the section of the bill which offers a little help to those who unfortunately are now living in slums on farms.

To provide the necessary funds to carry out the above three types of assistance, this title of the bill provides for loans increasing in amount annually through the fourth year to an aggregate of \$250,000,000. The amount of annual contributions provided would increase annually over 3 years to reach a yearly authorization at the maximum of \$5,000,000, with such contributions to be paid to any beneficiary over a period not to exceed 10 years. These contributions would be limited to a maximum of the annual interest, and one-half of the payment due on principal in any one year.

The bill also provides authority for \$12,500,000 in grants for the third part of the program. The maximum grant for any one dwelling or building would be \$500. A loan or combination loan and grant is

limited to \$1,000 with respect to any one farm, dwelling, or building and to a maximum of \$2,000 in the aggregate to any one individual.

The bill also provides for technical assistance by the Department of Agriculture in farm-home design and construction, and authorizes the Secretary of Agriculture to conduct research directed toward lowering the cost of farm housing and to assemble data and market information in this field.

## IX. MISCELLANEOUS PROVISIONS

Title V of the bill consists of a number of miscellaneous provisions, some of which are of substantive importance, and some of which are technical.

### AMENDMENT OF NATIONAL BANKING ACT

Under provisions contained in titles I and II of the bill, a local public agency or a public housing agency may, in connection with a slum clearance or low-rent housing project, borrow moneys from private investors on short-term notes, instead of securing an advance from the Federal Government under its loan contract. Such short-term notes when issued may, under the bill, be secured by an unconditional agreement by the Federal Government to advance to the public agency under its loan contract moneys sufficient to meet the principal and interest at maturity of such short-term notes and required to be used for this purpose. In view of the special security features which would thus attach to these notes, section 502 (a) would authorize national banks and (to the extent permitted by State law) State member banks of the Federal Reserve System to purchase or underwrite such notes (having a maturity of not more than 18 months) without regard to present legal restrictions limiting transactions to a fixed percentage of the bank's capital and surplus. Similar authority is extended by this section with respect to certain long-term bonds of local public housing agencies to which special security features would attach in accordance with this bill under annual contributions contracts between the Federal Government and the local public agencies. This authority would be consistent with the present provisions of law which permit such banks to underwrite and deal in obligations of the United States Government, general obligations of any State or of any political subdivision thereof, and obligations issued under authority of the Federal Farm Loan Act or by the Federal home loan banks.

The amendment to paragraph 7 of section 5136 of the Revised Statutes, made by subsection (a) of section 502, relates to short-term obligations only when they are classified as "investment securities." The Treasury Department, however, believes that some issues of these short-term notes may not have the qualifications of "investment securities" but would rather partake of the nature of a loan. Therefore, it is necessary also to amend section 5200 of the Revised Statutes which prescribes the same limitations for the purchase of loans as are prescribed by section 5136 for the purchase of investment securities. This is done by section 502 (b) of the bill.



AMENDMENT OF GOVERNMENT CORPORATIONS APPROPRIATION ACTS FOR  
1948 AND 1949

The Government Corporations Appropriation Acts for 1948 and for 1949 included provisos to the effect that no payments of annual contributions should be made which were occasioned by payments in lieu of taxes in excess of amounts originally contracted for. This restriction had the effect of prohibiting payments in lieu of taxes equal to 10 percent of shelter rents, as had previously authorized by PHA, and as will be authorized in the future under subsection 205 (b) of this bill. These provisos of the two appropriation acts are therefore repealed as of the beginning of the fiscal years for which they apply, thus validating any payments already made with the approval of PHA and in other cases permitting payments in lieu of taxes on the restricted basis (generally 5 percent of shelter rents) authorized for these 2 years in subsection 205 (b).

The section would also repeal a proviso in the Government Corporations Appropriation Act for 1949 which limits the number of employees of the Public Housing Administration above grades CAF-10 and P-3 to not exceeding 20 percent of the total number of such employees. The committee believes that this limitation is unduly restrictive and that it will prove especially detrimental during the remainder of the fiscal year to efficient operations in view of the Public Housing Administration's increased responsibilities under this bill to furnish financial and technical aid to hundreds of local public agencies and to perform important supervisory activities with respect to those agencies. Similar considerations led the Committee on Appropriations to omit this personnel limitation from the provisions governing the Public Housing Administration contained in the independent offices appropriation bill for 1950, and the House last month passed that appropriation bill without such a limitation.

## CENSUS OF HOUSING

The hearings on H. R. 4009 made it clear to your committee that there is an urgent need for comprehensive up-to-date information on our housing inventory which would throw light on the size and quality of the housing supply and the way in which this supply is currently being utilized. The committee was deeply impressed with the unanimity of favorable opinion of the witnesses, regardless of their views on other aspects of the bill, with regard to the necessity for enacting section 507. This section would give the Bureau of the Census the authority to conduct a census of housing in each of the 48 States and the District of Columbia, Hawaii, Puerto Rico, and Alaska in 1950 and decennially thereafter. This census would obtain information concerning the number, characteristics, quality, and geographic distribution of all dwelling units in the United States and the Territories. The Bureau of the Census would also be granted the authority to assemble supplemental statistics in advance of or after the taking of such housing census as it feels necessary to the completion of the project.

In recommending a decennial census of housing, the committee does not in any way wish to minimize the value which is to be obtained from more frequent sample studies such as the one taken in April

1947. This sample study of the housing situation made it possible to identify the over-all dimensions of the present housing problem. It has also driven home to this committee the shortcomings of our present supply of housing in terms of its adequacy in coping with the needs of an important part of our population, namely, families of low and moderate incomes.

Helpful as this sample study has been, there are still many gaps in our knowledge which can only be filled by a complete census of housing. Thus, it is not possible through sample studies to obtain detailed housing data on a locality basis. The most recent detailed locality information now available was provided in the 1940 Census of Housing. In view of the tremendous geographic shifts in population which have occurred since 1940, as well as the vast improvement in our general economic situation since that time, this information is in the main seriously outdated. It is imperative, therefore, that steps be taken to get necessary locality information on a current basis. Such current information will be invaluable, particularly to localities participating in programs under titles I and II of the bill.

Entirely apart from its value to those directly concerned with the housing problems of the Nation, a census of housing is of tremendous assistance to the large segment of American business and industry which depends upon housing and home building for part or all of the outlet for its goods and services. Information obtained in the census of housing will, of course, also be of tremendous assistance to Federal, State, and local officials charged with the responsibility of dealing with problems of housing, building construction, social welfare, city planning, urban redevelopment, and related activities.

Despite this widespread interest in housing information, there is now no specific authority for the taking of a census of housing in 1950 or in subsequent census years. Your committee calls attention to the paramount importance for completion by the Congress of early action on the necessary authorization for a census of housing. Such early legislative action is necessary to permit essential advance planning and organization, without which the quality of the 1950 census of housing would be impaired. This is especially true since planning has already started for the 1950 population census, and since the housing census is to be taken at the same time and by the same staff.

Considerations similar to the foregoing led the House, on May 9, to pass H. R. 2203, a bill to provide for a housing census in 1950. However, your committee believes that the census provisions in this bill (sec. 507) should be enacted by the House as a part of this bill.

These provisions are very similar to those of the bill already passed by the House except that this bill provides for a housing census as part of each decennial census hereafter. The census provisions of this bill are identical with those in S. 1070 as passed by the Senate, and this committee is convinced that these somewhat broader provisions should be adopted.

#### AMENDMENTS CONCERNING THE DISTRICT OF COLUMBIA PROPOSED BY THE COMMITTEE

Your committee recommends the enactment of two new sections to be added to title V of the bill which it has found to be necessary if the District of Columbia is to be able to obtain the benefits provided



for States, Territories, and municipalities under titles I and II of the bill.

The proposed new section 508 would restore to the National Capital Housing Authority its power to acquire sites for low-rent public housing projects, thereby enabling the Authority to participate in the title II program on the same basis as other local housing authorities.

The proposed new section 509 would permit the District of Columbia to obtain the benefits of Federal aid for slum clearance, under title I of this bill, on the same basis as provided in this bill for other cities throughout the country. The present District of Columbia Redevelopment Act would remain in full force and effect, but the amendment would provide an alternative method of financing slum-clearance and redevelopment operations in the District of Columbia by vesting in the Redevelopment Agency (subject to the approval of the Commissioners of the District of Columbia) the power to accept financial assistance authorized under title I of this bill. The proposed new section would also authorize the Administrator of the Housing and Home Finance Agency to allow credit for local grants-in-aid in connection with projects undertaken with the District of Columbia, under title I of this bill, to the same extent as local grants-in-aid are approvable for other cities and States. It would provide that in the event such local grants-in-aid are not sufficient to meet the local grants-in-aid requirements, the District Commissioners would be authorized to enter into agreements with the District of Columbia Redevelopment Land Agency to make cash payments of such deficiencies from the funds of the District of Columbia. Appropriations to the District Commissioners would be authorized for such purpose where necessary.

#### OTHER PROVISIONS

Other provisions of this title of the bill provide for the appointment by the Housing and Home Finance Administrator of advisory committees which would serve to further cooperation between the Government and private persons and groups interested in housing from the viewpoints of the consumer, industry, finance, and labor; the appointment of and compensation for a Deputy Housing and Home Finance Administrator to assist the Administrator and to act in his absence; the inclusion of the Secretary of Labor, or his designee, and the Federal Security Administrator, or his designee, as members of the National Housing Council in the Housing and Home Finance Agency, in recognition of the interest of these agencies in problems related to the Federal Government's housing program; the conversion of certain State-aided low-rent or veterans' housing projects, under appropriate conditions, to low-rent housing assisted under the United States Housing Act of 1937; and the usual terms as to separability and the act being controlling in the event of inconsistency with any other act.

## X. MAXIMUM RATES OF FINANCIAL COMMITMENTS UNDER H. R. 4009

(In millions of dollars)

	Fiscal year					Total
	1950	1951	1952	1953	1954	
Commitments for repayable loans:						
Slum clearance <sup>1</sup> .....	25	225	250	250	250	1,000
Low-rent public housing <sup>2</sup> .....	700					700
Farm housing <sup>3</sup> .....	25	50	75	100		250
Total, repayable loans.....	750	275	325	350	250	1,950
Contracts for grants:						
Slum clearance <sup>4</sup> .....	100	100	100	100	100	500
Farm housing.....	1	2.5	4	5		12.5
	101	102.5	104	105	100	512.5
Contracts for annual contributions:						
Low-rent public housing <sup>5</sup> .....	85	80	80	80	75	400
Farm housing.....	.5	1	1.5	2		5
Total annual contributions.....	85.5	81	81.5	82	75	405

<sup>1</sup> May be increased, within total authorization, at any time or times by the President by additional amounts aggregating not more than \$250,000,000.

<sup>2</sup> This amount added to existing authorization of \$800,000,000 and the total authorization placed on a revolving-fund basis.

<sup>3</sup> Subject to annual determination by the Congress within these limits.

<sup>4</sup> May be increased, within total authorization, at any time or times by the President by not to exceed additional amounts aggregating not more than \$100,000,000.

<sup>5</sup> May be increased, within total authorization, at any time or times by the President by not to exceed additional amounts aggregating not more than \$80,000,000.

<sup>6</sup> The annual contributions authorized for low-rent public housing may be paid over a 40-year period. The \$400,000,000 is the maximum amount which may be paid in any 1 year. Since the inception of the original program, the annual contributions actually paid have amounted to 58.5 percent of the maximum amounts which could be paid.

<sup>7</sup> The contributions authorized for farm housing may be paid over a 10-year period.

<sup>8</sup> Any subsequent year.

## XI. SECTION BY SECTION ANALYSIS OF H. R. 4009, AS AMENDED

## SECTION 1. SHORT TITLE

This section provides a short and convenient form of citation.

## SECTION 2. DECLARATION OF NATIONAL HOUSING POLICY

This section sets forth the national housing objectives as established by the Congress and the basic principles to be followed in attaining these objectives. In so doing it stresses the Nation's interest in housing production and related community development because of the basic contribution they can make both (1) toward improving the health and living standards of the people and (2) toward an economy of maximum employment, production, and purchasing power. Thus, the section establishes as specific objectives a volume of housing production and related community development sufficient to remedy the serious housing shortage, to eliminate slum and blighted areas, to realize as soon as feasible the goal of a decent home and a suitable living environment for every American family, to redevelop communities so as to advance the growth and wealth of the Nation, and to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power.

The keystone of the national housing policy established by the Congress in this section to facilitate the attainment of these objectives



is that private enterprise shall be encouraged to serve as large a part of the total need as it can, and that governmental assistance shall be utilized where feasible to enable private enterprise to serve still more of the total need, and that appropriate local public bodies shall be encouraged and assisted to undertake positive programs of assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life. As a complementary policy, the section states that governmental aid to clear slums and provide adequate housing for urban and rural nonfarm families whose incomes are so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met by reliance solely upon private enterprise, and without such aid, and that governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended only where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

To assure that all housing activities of the Federal Government will be administered in accord with the objectives and policies thus established by the Congress, there is included a specific congressional directive to the administrative agencies which have functions, powers, and duties with respect to housing to so exercise them as to encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### GENERAL SUMMARY

This title provides for Federal aid to local communities for the clearance of their slums and blighted areas, so as to make such areas and other areas needed for residential construction available for development or redevelopment, with the active participation of private enterprise. Two types of assistance are authorized:

1. Loans, both temporary and long-term (but not in excess of 40 years in the case of long-term definitive loans), where needed to finance necessary project costs, at an interest rate designed to return to the Government the cost to it of the funds it obtains to make the loans; and

2. A capital-grant subsidy where necessary to enable the land in the project areas to be made available for use at prices consistent with proper and sound land use and planning.

The administration of the program would be under the jurisdiction of the Housing and Home Finance Administrator. In the administration of the program adherence to the following principles is required:

1. That any project assisted be related to the improvement of housing conditions in the locality.

2. That every project assisted be a local undertaking, locally planned, locally approved, locally managed, and designed to serve local needs.

3. That the redevelopment plans for the redevelopment areas in the locality afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise.

4. That there shall be local financial participation in an amount equal to at least one-third of the difference between the aggregate costs of all projects of the locality and the new reuse values of the land comprising the project areas.

5. That there be adequate provision for the rehousing of the families displaced by the clearance of the area.

#### SECTION 101. RESPONSIBILITIES

This section provides that in extending financial assistance under this title, the Housing and Home Finance Administrator shall give consideration to the extent to which the locality has undertaken positive programs for (1) encouraging housing cost reductions and efficiency in construction through the adoption and improvement of building and related codes, and (2) preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations. It also requires the Administrator, in extending financial assistance under this title, to encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis, or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

#### SECTION 102. LOANS

This section, together with section 103, sets forth the forms and extent of Federal financial assistance. Section 102 provides for assistance in the form of loans which (whether temporary or definitive) must bear interest at not less than the rate specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more at the date the contract for the loan is made. Any long-term definitive loans made pursuant to this title must mature within a period not exceeding 40 years from the date of the bonds evidencing such loans.



In connection with any project on land which is open or predominantly open, temporary loans may be made (pursuant to subsection (b) of section 102) to municipalities or other public bodies for the provision of school and other public buildings or facilities necessary to serve or support the new uses of land in the project area. This is necessary, particularly in the case of outlying projects which can facilitate the clearance of central slum areas, where difficulties may arise due to the lack of certain public facilities, especially schools. For example, the school district for such an outlying area might not have a tax base sufficient to permit the issuance of bonds for building a new school until the project area is actually developed. In such a case, a temporary loan could be made to the school district itself, or alternatively a loan could be made to the local public agency undertaking the project so that this agency could construct the school and lease it to the school district pending the ability of the district to take the building over through the issuance of its own bonds. Such temporary loans must be repaid in not to exceed 10 years.

While providing for Federal assistance in the form of loans where necessary, the section also contains provisions to facilitate financing by private capital. It contains a provision to enable the local public agency to obtain loan funds from sources other than the Federal Government to the fullest extent practicable, and to substitute such funds for borrowing from the Government.

The section also provides that the Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and that the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

To provide the funds necessary to make the loans, the Administrator is authorized, with the approval of the President, to issue and have outstanding at any one time notes or other obligations for purchase by the Secretary of the Treasury aggregating not more than \$1,000,000,000. This loan authorization becomes available over a 5-year period at the following rate: \$25,000,000 on and after July 1, 1949, increased by \$225,000,000 on and after July 1, 1950, and by \$250,000,000 on and after July 1 in each of the years 1951, 1952, and 1953, respectively.

The section also permits the initial loan authorization, and any of the authorized increases therein becoming available in any year to be increased (subject to the total loan authorization of \$1,000,000,000), at any time or times, by not to exceed additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

#### SECTION 103. CAPITAL GRANTS

This section provides for Federal subsidy, in the form of capital grants, in those cases where such assistance is necessary if the land in the project area is to be available for proper use in accordance

with an approved plan for the project area and at prices consistent with such use. The capital grants would be limited in amount to two-thirds of the net cost of the projects assisted in the locality. This has the effect of providing that the net loss or write-down involved in making the land in project areas available for appropriate redevelopment (i. e., the difference between the total costs of the projects and the proceeds received from the disposition of the land) will be shared on a 2 to 1 basis, the Federal capital grants being available for not to exceed two-thirds of such loss and the local grants-in-aid being available for at least one-third of such loss.

The Federal capital grants with respect to all projects of a local public agency on which contracts for capital grants have been made under this title cannot exceed two-thirds of the net loss on such projects. With respect to any individual project, the Federal capital grant cannot exceed the difference between the net loss on such project and the local grants-in-aid actually made with respect to that project. Thus, if a project cost \$1,000,000 (including \$150,000 in site improvements and public facilities paid for by the municipality as local grants-in-aid) and if the proceeds from disposition were \$700,000, resulting in a loss (or net project cost) of \$300,000, the Federal grant would then be limited to \$150,000 (being the difference between the loss of \$300,000 and the local grants-in-aid of \$150,000) rather than \$200,000 (being two-thirds of the loss of \$300,000). In the event that local grants-in-aid were sufficient to cover the entire loss, no Federal grant would be made for the project.

Although Federal loan assistance for the acquisition and preparation of open land for residential use is provided for, it does not appear that Federal subsidy assistance for such cases would at this time be justified. Accordingly, no Federal capital grants may be made in connection with such a project and, correspondingly, no local grants-in-aid are required. Such projects would be excluded from the computation of aggregate project costs, local grants-in-aid, and net losses used as the basis for the sharing of Federal and local grants for all other projects in the locality.

The Administrator is authorized to contract to make capital grants aggregating not more than \$500,000,000. This capital grant authorization becomes available over a 5-year period at the following rate: \$100,000,000 on and after July 1 in each of the years 1949, 1950, 1951, 1952, and 1953, respectively. The section also permits the initial capital grant authorization, and any of the authorized increases therein becoming available in any year to be increased (subject to the total capital grant authorization of \$500,000,000), at any time or times, by not to exceed additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

#### SECTION 104. REQUIREMENTS FOR LOCAL GRANTS-IN-AID

This section requires the locality to share the net losses of any project assisted by Federal capital grants under this title and to call upon the Federal Government for aid only to the extent necessary. It provides that the local community must itself participate financially



to the extent of at least one-third of the net project cost, as defined in this title. Such local assistance may be in the form of (1) cash grants, (2) donations of land, demolition or removal work, or site improvements in the project area, or (3) the provision of parks, playgrounds and public buildings or facilities which are of direct or substantial benefit to the project. Where a locality undertakes more than one project on which Federal capital grants are to be made, this requirements relates to such projects considered in the aggregate.

The definition of local grants-in-aid in section 110 (d) makes it clear that the local community may not count as local grants-in-aid (1) the value of any land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project, (2) any low-rent public housing, or (3) any demolition or removal work, improvement, or facility for which any grant or subsidy has been or is to be made by the United States or any agency or instrumentality thereof. If any of the public improvements or facilities provided are charged to specific property owners by way of special assessments, the portion of the amount so charged would not be eligible for inclusion as a local grant-in-aid. Local public buildings or facilities, otherwise eligible as local grants-in-aid, remain eligible in the event they should be assisted by temporary loans under section 102 (b).

#### SECTION 105. LOCAL DETERMINATIONS

This section assures that aid to projects under this title will be based upon local determination of need and maximum reliance upon private enterprise. It provides that any contracts for financial aid under the title may be made (1) only with a duly authorized local public agency, and (2) only if the redevelopment plan is approved by the governing body of the locality. Moreover, such approval must include findings that the Federal financial aid to be provided in the contract is necessary to enable the land in the project area to be developed or redeveloped; that the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the development or redevelopment of such areas by private enterprise; and that the redevelopment plan conforms to a general plan for the development of the locality as a whole.

This section also assures that all projects assisted will conform to the locally approved redevelopment plan. It provides that as a condition to Federal assistance, the local public agency must agree to obligate those to whom it sells or leases the land in the project area to devote the land to the uses specified in the redevelopment plan and to begin the building of their improvements within a reasonable time.

The section also requires that there be a feasible method for both the temporary and permanent relocation of the families who have been living in the area and who are displaced as a result of the clearance of the area. The provisions of this section that contracts shall require that there are or are being provided, in reasonably suitable locations, permanent dwellings for families to be displaced, are not intended to be rigid specifications. Obviously, slum clearance projects cannot go forward without some difficulties for the families to be displaced. Provisions are therefore included to afford reasonable

protection for such families. The provisions of this section are general in nature, in effect requiring that decent, safe, and sanitary housing be available for the displaced families in areas which have generally satisfactory public and commercial facilities, and which are reasonably accessible to their places of employment.

In view of the present acute housing shortage, this section would prevent the demolition of residential structures in connection with this program prior to July 1, 1951, if the governing body of the locality determines that such demolition would reasonably be expected to create undue housing hardship in the community.

#### SECTION 106. GENERAL PROVISIONS

This section gives the Administrator the technical powers necessary for the performance of his duties under this title. In so doing, it provides for the appointment of a director to administer the provisions of this title under the direction and supervision of the Housing and Home Finance Administrator.

#### SECTION 107. PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

This section assures that the financial assistance under this title will not result in a double subsidy to federally assisted low-rent public housing, by providing that any land in the project area made available for such low-rent public housing must be paid for by the public housing agency undertaking such low-rent public housing project.

#### SECTION 108. SURPLUS FEDERAL REAL PROPERTY

This section authorizes the transfer to the Administrator of any Federal real property surplus to the needs of the Government and within the area of a land assembly project. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from any such sales would be deposited in the Treasury as miscellaneous receipts.

#### SECTION 109. PROTECTION OF LABOR STANDARDS

This section designed for the protection of labor standards, requires that not less than prevailing wages be paid to those employed in the development of any project assisted under this title, makes the "kick-back" statute applicable to all such projects, and requires monthly reports by all contractors used on the project to the Secretary of Labor as to the number of persons employed by them, the aggregate amount of their pay rolls, the total man-hours worked, and expenditures for materials. Demolition or removal work or site-improvement work paid for by the State, city, or other public body (other than the local public agency undertaking the project) are not included within the scope of this section due to the obvious difficulties which would result where the city or other public body is making its local grant-in-aid in the form of project work. For example, the city (as a part of its local grants-in-aid) may install streets in the project area as part of a general city paving contract which also covers street work in areas other than the project area. Or the city may perform demolition or removal work with salaried personnel in its engineering department.



## SECTION 110. DEFINITIONS

This section sets forth the definitions of the basic terms used in the title. Through these definitions, the section provides that no project area would qualify for Federal aid unless it involves either a slum area or a deteriorated or deteriorating area which is predominantly residential in character; or any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses; or land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses; or open land necessary for sound community growth which is to be developed for predominantly residential uses. (In the last case the project thereon, as provided in sec. 103 (a), is not eligible for any capital grant.) Through these definitions also, the section limits Federal assistance to the furtherance of such purposes as (1) the acquisition of the land in the area requiring development or redevelopment; (2) the removal of existing structures and improvements; (3) the provision of streets, utilities, and other site improvements essential for the new land uses contemplated; and (4) the making of the land available for development or redevelopment at prices consistent with its proposed new uses. Aid under this title to assist the construction of any of the buildings contemplated by the redevelopment plan is expressly barred, except in the case of the temporary loans authorized by section 102 (b) for the provision of school or other public buildings or facilities necessary to serve or support the new uses of land in projects on land which is open or predominantly open.

## TITLE II—LOW-RENT PUBLIC HOUSING

This title provides for an extension of the low-rent public-housing program to serve urban and rural nonfarm families whose incomes are so low that they are not being adequately housed in new or existing private housing. This program will be administered by the Public Housing Administration, a constituent of the Housing and Home Finance Agency, under the terms of the United States Housing Act of 1937, as amended, including the amendments made by this bill.

This title contains provisions to assure complete consistency with the basic objectives of primary reliance upon private enterprise to do as much of the total housing job as possible; increasing emphasis on local responsibility and initiative; special preferences to meet the needs of veterans of low income and their families; enlistment of private capital to finance substantially all of the capital cost of low-rent public-housing projects; and an adaptation to current needs with respect to the amount and period of Federal annual subsidy to achieve low rents. The title also contains a miscellany of technical and perfecting amendments to the United States Housing Act of 1937 that the 11 years of operations under it have indicated to be necessary and desirable.

**SECTION 201. LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES**

This section provides that no contract for a preliminary loan for surveys and planning for low-rent housing projects shall be made with a local public-housing agency unless (1) the governing body of the locality has approved the application for said loan, and (2) the local public-housing agency has satisfied the Public Housing Administration that there is a need for low-rent housing in that locality which is not being met by private enterprise. It is also made clear that preliminary loans made under the lending powers of the PHA are to be repaid out of the development funds of the projects for which financial assistance contracts are subsequently entered into. Some losses in connection with preliminary loans may be incurred by the PHA in the event that projects do not proceed, but these losses should be infrequent and of a relatively minor nature.

Before any contract on a project initiated after March 1, 1949, is made for loans (other than preliminary loans) or for annual contributions, the governing body of the locality must have entered into an agreement with the local public housing agency to provide the local cooperation and assistance which is required by the PHA pursuant to this act. Moreover, the local public housing agency must have demonstrated to the satisfaction of the PHA that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed project and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof. This section thus establishes as basic national policy that even with respect to the segment of housing need which the regular operations of private enterprise are not now serving, every opportunity is to be given to it to extend its servicing capacity downward in the income scale.

This section also provides that every annual contributions contract for a project initiated after March 1, 1949, shall require the local public housing agency to fix, subject to approval by the PHA, maximum income limits for admission and for continued occupancy in the project. Such limits must be revised by the local public housing agency if required by PHA because of changed conditions. Such contract shall also require reports showing that, as indicated by actual investigation, every family admitted to the project had at the time of admission an income not in excess of the established maximum limit, and that every such family came from an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or was (without fault of its own) either without housing or was about to be without housing pursuant to a court order of eviction. For a period of 5 years, however, these requirements as to previous housing conditions do not apply to World War II veterans or servicemen of low income. In the selection of tenants for low-rent housing, it is also required that there be no discrimination against families otherwise eligible on the



ground that their incomes are derived in whole or in part from public assistance. In the initial selection of tenants for a project, preference shall be given (subject to the overriding preferences in sec. 202 relating to veterans' preference) to families having the most urgent housing needs; thereafter in selecting tenants due consideration shall be given to the urgency of housing needs. After admission, periodic examinations must be made of the incomes of all families who are tenants in the project so that, if their incomes are found to have increased to the point where they exceed the applicable income limits for continued occupancy, they will be required to move from the project.

#### SECTION 202. VETERANS' PREFERENCE

Section 202 extends preferences to families displaced by low-rent housing projects or public slum-clearance or redevelopment projects. Such preferences are necessary to enable the rehousing of such displaced families and permit such projects to go forward. Both within this group and all other groups, low-income families of veterans and servicemen of World War II will be given preference in admission for a 5-year period. Definitions of the terms "veteran" and "servicemen" are provided in this section.

Specifically, under this section preference is given in all projects to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after the date of the approval of the Housing Act of 1949, or families which were displaced by such a project within 3 years prior to applying for admission. As among such families, there is a first preference to the families of disabled veterans, a second preference to families of deceased veterans and servicemen whose death was service connected, and a third preference to the families of other veterans and servicemen. A similar veterans' preference is extended as among families who have not been displaced by a slum-clearance project. All of these preferences, of course, apply only if the family seeking admission is otherwise eligible, and if a dwelling of suitable size and rent is available.

#### SECTION 203. COST LIMITS

This section is designed to end certain inequities and uncertainties resulting from present cost limits on low-rent housing assisted by the Federal Government, and to compensate for the drastic increase in building costs since the enactment of the United States Housing Act in 1937.

Experience has indicated that existing provisions, which place a ceiling on dwelling-unit costs as well as on room costs, and which provide for higher cost ceilings for cities of more than 500,000 population, are inadequate or faulty, in that (1) a limitation on cost of the entire dwelling unit hampers the provision of housing for larger-sized families of low income and so discriminates against such families; and (2) a differential in cost limits based solely on the size of the community is no longer realistic due to the increasing uniformity in construction costs, including both labor and material, irrespective of city size. The section, therefore, eliminates the limitation on dwelling-unit cost (but not the limitation on room cost, so that the essential limitation on construction costs is still retained by the re-

quirement that contracts shall provide in all cases for meeting the specified per room limitation on construction costs) and establishes a uniform ceiling, not dependent upon city size, for the cost of dwelling construction and equipment. In addition, the section simplifies determination of compliance with the cost limitations by specifically basing these limitations upon the cost of dwelling construction and equipment. This will ordinarily permit firm determination of compliance with the cost limitations embodied in the contract pursuant to this requirement of the act at the time the main construction contract is awarded.

In order that the drastic increase in building costs may not prevent the provision of housing needed for families of low income, the section provides for a higher cost limitation of \$1,750 per room, as compared with existing limitations of \$1,000 and \$1,250 in small and large cities, respectively. It also authorizes an increase in this cost limitation by not more than \$750 per room in areas where it would not be feasible without such an increase to construct the project without sacrifice of sound standards of construction, design, and livability, and where there is an acute need for such housing. The percentage of increase in the cost limitation as provided in this section is substantially less than the percentage of increase in construction costs which has actually occurred since 1937.

Because of special cost problems in Alaska, the section also has special provisions permitting higher costs in that Territory if found necessary.

This section also will require that the Public Housing Administration, taking into account the level of construction costs in the respective localities, shall approve the amount of all main construction contracts before they are awarded by the local public housing agencies. This is in lieu of a present requirement as to comparison with the average costs of private construction in the locality.

The authorization increasing cost limits is applicable to any low-rent project completed after January 1, 1948. This will make the increased cost limitations available in the case of low-rent projects which were deferred during the war, on some of which a small amount of construction work was done before they were deferred. It will also make the increased cost limitations applicable to, and permit the revision of contracts for, any projects which have proceeded (prior to enactment of this bill) under the provisions of Public Law 301, Eightieth Congress.

#### SECTION 204. PRIVATE FINANCING

The basic purpose of this section is to amend the financing provisions of the United States Housing Act of 1937 so as to make possible the permanent financing of substantially all of the capital cost of low-rent housing projects by the sale of bonds to private investors, and thus in effect limit Federal lending assistance for low-rent housing primarily to the temporary interim financing necessary prior to the issuance of definitive bonds.

The sale of bonds for the permanent financing of low-rent projects at low interest rates has been made possible through a pledge of the Federal annual contributions as security for the bonds. Subsection (a) relates to this pledge, and makes it possible, in the event there is



more than one issue or class of bonds, to pledge appropriate amounts of annual contributions separately to each issue or class of bonds. This subsection also makes it clear that local public-housing authorities may obtain loans covering development or acquisition costs without any annual contributions being provided in connection with such loans either in whole or in part.

Pursuant to subsection (b), every annual contributions contract (including amending or superseding contracts) may provide that, in the event of a substantial default by a local public-housing agency in its covenants to the Public Housing Administration, such local agency shall at the option of PHA be obligated to convey title to or deliver possession of the project to PHA (subject to the right of the local public-housing agency to reconveyance or redelivery upon a satisfactory curing of the default). Conveyance of title rather than delivery of possession would be required only when PHA determines that this is necessary to achieve the purposes of the act. After taking title or possession, PHA would continue to make annual contributions for the project, but not in excess of the amounts contracted for pursuant to statute. This would assure both (1) that the project will continue to operate as a low-rent housing project, and (2) that investors who have furnished the capital funds for its construction in reliance upon the continuance of its low-rent character and the making of annual contributions therefor during the entire life of the loan, will have their investment adequately protected. With this assurance there is every reason to anticipate that private capital will be willing to furnish practically all of the capital cost through long-term loans and to do so at low interest rates.

Subsection (c) revises the provisions in the act relative to the going Federal rate (which determines the minimum loan interest rate and the maximum annual contribution rate) so as to provide that the governing rate is the one as of the date of Presidential approval of the contract for loan or annual contributions, respectively, rather than the date the contract happens to be signed by PHA and the local public-housing agency. Further, it provides that in the event there are two or more rates of interest on such date, the rate used shall be the highest thereof, and that in no event shall such rate be deemed to be less than 2½ percent.

Subsection (d) reduces the maximum loan period from 60 to 40 years in the case of projects which are initiated after March 1, 1949, and which are assisted by Federal annual contributions. It also reduces the minimum interest rate on Federal loans made for projects where the maximum loan and annual contribution period is 40 rather than 60 years, from the applicable going Federal rate plus one-half of 1 percent to simply the going Federal rate. Contracts for projects initiated prior to March 1, 1949, may thus be amended to reduce the loan and annual contribution period to not more than 40 years and thereby make the project eligible for an interest rate at simply the applicable going Federal rate.

The present power of PHA to make 60-year loans at an interest rate equal to the going Federal rate plus one-half of 1 percent is retained for projects initiated after March 1, 1949, provided they are not assisted by Federal annual contributions. This lending power could, of course, be made use of only if the projects and tenants were otherwise eligible under and meet all of the requirements of the United

States Housing Act of 1937, as amended, and if financial assistance were available from other sources, such as State or local governments, in amounts which would enable the local public-housing agencies to meet their operating costs and debt service on the Federal loan, and at the same time achieve rents low enough to be within the means of families of low income.

Subsection (e) limits the period over which annual contributions may be paid on projects initiated after March 1, 1949, to 40 years as contrasted with the present authorization of 60 years. In order to make this possible, and thus substantially reduce the total amount of the annual contributions, and also to assure a highly marketable local housing agency bond even under adverse market conditions, this paragraph would, in respect to projects where the contribution period is limited to 40 years, amend the present requirement that the contribution shall not exceed a sum equal to the going Federal rate plus 1 percent upon the development or acquisition cost of the project so that the limitation would be a sum equal to the going Federal rate plus 2 percent upon such cost. Contracts for projects initiated prior to March 1, 1949, may thus be amended to reduce the annual contribution period to not more than 40 years and thereby make the project eligible for annual contributions at the applicable going Federal rate plus 2 percent. The additional annual contributions authorization made by this bill would be available, if needed, in connection with such refinancing of existing projects or the sale to local public-housing agencies of the Public Law 412 and Public Law 671 projects now owned by the Federal Government. The shortened period over which annual contributions may be paid will more than compensate for the permitted increases in the amount of annual contributions.

In addition to substantially reducing the need for Federal loan assistance, subsections (f) and (g) also revise certain conditions with respect to Federal subsidy assistance. This is done by providing (1) that, instead of an adjustment in the maximum amount of annual contributions at 5-year intervals, in any year when the receipts derived in connection with the project exceed expenditures and charges, the excess must be used for purposes which will reduce subsequent annual contributions; and (2) that contracts for loan and annual contributions based on a certain "going Federal rate" may, in the case of a change in such rate, be amended so as to base the interest rate on Federal loans, or the maximum contribution payable, on the new rate whenever this would promote economy or be in the financial interest of the Federal Government, provided this does not impair the rights of the holders of any outstanding obligation of the public housing agency involved for which annual contributions have been pledged.

Subsection (h) requires that borrowings by PHA be from the Treasury. At the same time, the statutory language with respect to PHA's borrowing authorization is adapted to the changes in PHA's lending program that would result from the provisions of this title, by relating the gross amount authorized to the amount of obligations that may be outstanding rather than to the aggregate amount that the PHA may issue exclusive of refunding obligations. The gross amount authorized is increased from \$800,000,000 to \$1,500,000,000 in recognition of the size of the extended program and the increased construction costs anticipated. It is expected that with this amendment PHA's



borrowing power will make it possible to provide all of the capital funds required from the Federal Government in connection with the extension of the low-rent program.

Subsection (i) provides a definition of development cost (which is not defined in the present act) which will include in capital cost all items which would be capitalized under standard business practice, including the cost of capital improvements made at any time during the life of the project. This definition, in accordance with business practice, includes appropriate carrying charges, such as interest, insurance, payments in lieu of taxes, local housing authority overhead, and any initial operating deficit. Carrying charges subsequent to the date of physical completion, however, may not be capitalized.

Subsection (j) makes it clear that, in line with the usual practice in the past, where a local public-housing agency is undertaking two or more low-rent public housing projects, they may, in a contract, be treated collectively as one project.

#### SECTION 205. ANNUAL CONTRIBUTIONS

Subsection 205 (a) increases the Public Housing Administration's annual contributions authorization in order to provide for an extension of the program of low-rent public housing in urban and rural non-farm areas. It increases the total amount of annual contributions authorization available to PHA on or after July 1, 1949, by \$85,000,000 a year (in addition to the existing authorization), which authorization would be increased by further amounts of \$80,000,000 in each of the following 3 years, and by \$75,000,000 on July 1, 1953. The new authorization thus totals \$400,000,000 per annum. In respect to projects initiated after March 1, 1949, PHA may authorize the construction of not more than 150,000 additional new dwelling units after July 1, 1949, which limit would be increased by further amounts of 150,000 units on July 1 in each of the years 1950 through and including 1955, respectively, thus making a total of 1,050,000 new dwelling units in 7 years. In respect to projects initiated after March 1, 1949, not more than 1,050,000 additional new dwelling units may be put under construction without further authorization from the Congress.

The President is authorized to accelerate or retard the program, if he finds such action to be in the public interest, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy. Subject to the total additional annual contributions authorization of not more than \$400,000,000 per annum, the amount made available at the beginning of any fiscal year may be increased at any time or times by additional amounts aggregating not more than \$80,000,000 per annum. Subject to the total authorization of 1,050,000 new units, authority to commence construction which is made available at the beginning of any fiscal year may be increased at any time or times by additional amounts aggregating not more than 100,000 units, and each of such authorizations may be decreased at any time or times by amounts aggregating not more than 100,000 units. The construction authorization to become available at the beginning of each fiscal year could thus be increased to not more than 250,000 units, or be reduced to not less

than 50,000 units, but the amount of any decrease would remain available for subsequent authorization by the President at any time or times so that construction of the full 1,050,000 new units initiated after March 1, 1949, could eventually be authorized by him. Moreover, in the event that the full amount of annual contributions contracts or of construction starts authorized in respect to the beginning of any fiscal year is not fully used in that year, such authorization would, of course, remain effective for subsequent use, subject to the total over-all limitations of \$400,000,000 per year and the commencement of construction on 1,050,000 new dwellings.

In order to reserve funds for low-rent housing in urban nonfarm areas, it is provided that 10 percent of the annual contributions authorizations which become available shall be reserved for projects in rural nonfarm areas for a period of 3 years after the authorization becomes available.

Under subsection 205 (b), contracts for annual contributions on projects initiated after March 1, 1949, shall require exemption of the projects from all real- and personal-property taxes, but the contracts may authorize payments in lieu of taxes not in excess of 10 percent of shelter rents. This requirement of tax exemption is in lieu of existing provisions in the act as to local contributions. In the event that tax exemption is not legally available, local contributions may alternatively be made in cash in an amount not less than 20 percent of the annual contributions paid by PHA.

Contracts on projects initiated prior to March 1, 1949, may also include similar provisions in respect to project fiscal years for which the annual contributions date is subsequent to July 1, 1949; but if existing contracts on such projects are not so amended, payments in lieu of taxes will be limited solely to the amounts provided under contracts outstanding on July 1, 1947. As to project fiscal years for which the contributions date falls between July 1, 1947, and July 1, 1949, payments in lieu of taxes (unless already made in larger amounts) will be authorized in the amount of 5 percent of shelter rent or in the amounts specified in the few existing contracts which call for amounts over such 5 percent.

#### SECTION 206. SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

Experience has proven that the existing provisions of the United States Housing Act make it difficult to meet the needs of large families of low income. In addition to the provisions in section 203 revising the cost limitations so as to permit the construction of larger dwelling units, this section revises the requirements as to eligibility for families with a relatively large number of children. In lieu of the present provision which requires that net annual income at the time of admission may not exceed five times the gross annual rent, or six times the gross rent for families with three or more minor dependents, this section provides that the 5 to 1 ratio shall be used for all families, but that, in determining family net annual income for admission an exemption of \$100 shall be given for each member of the family (other than the head of the family or his spouse) who is less than 21 years of age. Under this new provision, there will be a somewhat larger spread between the incomes for eligibility of families with few children and those with



a relatively large number of children, in recognition of the very substantial differences in their respective living expenses.

A further difficulty has arisen in the case of families who are eligible to remain in a project on the basis of the income of the regular, principal worker or workers, but who become ineligible if a child goes to work upon the completion of his schooling. Even though this be a temporary condition which will end as soon as a child marries and establishes his own home, the family would nonetheless be required to move from the project. The present provisions thus tend to force children to leave the home in order to continue the family eligibility. This section, therefore, authorizes a local public-housing agency (in lieu of a \$100 exemption) to deduct all or part of the earnings of such a secondary worker from family income in determining eligibility for continued occupancy. This exclusion will be only a temporary matter, since it is limited to secondary wage earners who are under 21 years of age. Moreover, the income of such children will not be excluded in determining eligibility for admission or in fixing the actual rent to be paid by the family.

#### SECTION 207. TECHNICAL AMENDMENTS

Subsection 207 (a) amends the declaration of policy contained in section 1 of the act so as to limit the future low-rent public-housing program of the Public Housing Administration to urban and rural nonfarm areas. It is contemplated that no assistance to farm housing will be provided under the United States Housing Act.

Subsection 207 (b) makes it clear that contracts for financial assistance shall be entered into with a State or a State agency only if such State or State agency is itself to develop and administer the project.

It also defines the term "initiated" when used in reference to the date on which a project was initiated as referring to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public-housing agency. Pursuant to this definition, the various requirements of the bill applicable to projects initiated after March 1, 1949, will apply, not only to newly constructed projects on which contracts for financial assistance are first entered into after such date, but also to any federally owned Public Law 412 and Public Law 671 projects on which there are no existing contracts for financial assistance but which may be sold to local public-housing agencies under a contract for financial assistance, entered into after March 1, 1949.

Subsection (c) provides that, with respect to all projects under title II of Public Law 671, reference therein to the United States Housing Act, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.

Subsection 207 (d) removes the present requirement for the elimination of substandard dwellings in connection with low-rent projects. This is appropriate since the bill clearly separates the function of extending Federal assistance for the clearance of slums from that of extending assistance for low-rent housing. The responsibility for slum clearance is now to be undertaken pursuant to the provisions of title I of the bill.

The other subsections of this section provide technical amendments to the United States Housing Act of 1937, as amended, which are

required either as a result of the substantive amendments to the act provided in this bill or have been shown to be necessary as a result of experience under the bill. Provision is also made that not more than 10 percent of the total amount of \$428,000,000 provided for annual contributions, nor more than 10 percent of the amounts provided for grants, shall be expended within any one State.

#### SECTION 208. TRANSFER AND OPERATION OF LABOR CAMPS

This section provides for the transfer to the Public Housing Administration, effective not later than 60 days after adoption of the Housing Act of 1949, of the farm labor camps now administered by the Secretary of Agriculture. These camps when so transferred will be used as low-rent housing under the terms of the United States Housing Act of 1937, as amended. Subject to the income limitations of section 2 (1) preference shall be given families of migratory farm workers in the occupancy of standard family dwellings. However, the rent-income ratios stipulated in subsection 2 (1) will not be applicable to the occupants of accommodations other than standard family dwellings. Any of such other accommodations may be reserved for rental to migratory agricultural workers and their families. The Public Housing Administration may continue the operation of these projects under leases or permits and use agency funds to pay any deficits incurred in connection with them. Appropriations to reimburse such funds for such expenditures are authorized. It may also dispose of the projects to local public-housing agencies in any of the methods provided in the United States Housing Act of 1937, as amended. Unexpended balances of funds available in connection with such properties will be transferred with the properties to the Public Housing Administration, to be available until expended in accordance with all of the provisions of the United States Housing Act of 1937, as amended.

The projects that would be so transferred comprise approximately 40 such camps with about 1,500 standard dwellings and 9,000 other accommodations.

#### TITLE III—HOUSING RESEARCH

The purpose of this title is to assist in progressively reducing housing costs and increasing the production of better housing, and in making available necessary data on housing needs, demand, and supply.

#### SECTION 301

This section authorizes the Housing and Home Finance Administrator to undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing costs and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. It also retains the present provisions of the Housing Act of 1948 with reference to the improvement and standardization of building codes and regulations and methods for the more uniform administration thereof, and standardized dimen-



sions and methods for the assembly of home-building materials and equipment.

This section also permits the Administrator to enter into research contracts for work to continue for 4 years and provides that funds so obligated may remain upon the books of the Treasury for an additional fiscal year. (Under present authority, contracts must be performed and payments made within 2 years after the fiscal year in which undertaken.) This includes contracts for developmental research. The Housing and Home Finance Agency has no laboratory of its own and must utilize other Government agencies and contract with eligible agencies of State and local governments, educational institutions, and other nonprofit organizations for laboratory research; however, such laboratories are frequently reluctant to tie up their facilities in short-term projects offering no assurance of completion. Many research problems are complex and require for their solution a series of time-consuming successive steps. This provision is therefore necessary in order that a research program can be undertaken with some assurance that the projects initiated will be carried to a conclusion. The next to the last sentence of the section is merely declaratory of the general principle that research conducted with public funds should redound to the benefit of the general public.

The section also provides that the results of such technical research and studies shall be disseminated in such form as shall be most useful to industry and to the general public. It also exempts the dissemination of the results of such technical research and studies from the existing provisions of law prohibiting any agency from distributing through the mail, free of postage, reports and other documents unless a request therefor has been previously received by such agency.

The section further contemplates inventories to be made by the Administrator, as necessary, of urban and rural nonfarm housing needs and the progress being made in meeting those needs, and authorizes the Administrator to encourage and assist localities to make studies, surveys, and plans with respect to their own housing needs and markets. When Federal agencies conduct studies or surveys for local bodies, such agencies would be authorized to accept payment for the work done by them for credit to the agency appropriation funds.

#### SECTION 302

This section stresses the intention that the Housing and Home Finance Administrator shall work in close collaboration with industry and labor and with other Federal and local governmental agencies, educational institutions, and other appropriate agencies in carrying out the research program. The section further provides that the Administrator shall consult with, and make recommendations to, the other appropriate Federal agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data and the facilities available for the collection of such data.

#### SECTION 303

This section authorizes appropriations to carry out the purposes of the title.

## SECTION 304

This section provides for the appointment of a Director to administer the provisions of this title under the direction and supervision of the Administrator. It also provides the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

## TITLE IV—FARM HOUSING

The provisions of this title recognize the complex nature of the housing problem on farms and the interrelation of that problem with other problems affecting the farm economy. The devices heretofore employed and now proposed for Federal assistance with respect to nonfarm housing are inadequate and cannot be adapted to give the same measure of assistance to families living on farms, because the special and different problems attaching to farm housing and other farm buildings require special provisions for such housing. This title recognizes the intimate relationship between farm housing and the entire farm economy and so places the responsibility for aids to provide adequate housing and farm buildings on farms upon the Department of Agriculture.

The title therefore authorizes the Secretary of Agriculture to extend, through the Farmers Home Administration, three types of financial assistance to owners of farms to enable them to construct or repair dwellings and other buildings on their farms to provide them, their tenants, lessees, share croppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings:

1. Loans up to 33 years at not to exceed 4 percent interest. The loans would not require a first mortgage on the farm property and could be secured by the farmer's equity in the farm.

2. Similar loans, supplemented by annual contributions applied as a partial credit on interest and principal payments, to the owners of farms which are not presently self-sustaining but which, through a satisfactory program of enlargement, improvement, or adjusted farm practices, can be made self-sustaining within a period of not to exceed 10 years. The annual contributions could not be made available to a farm owner after the farm is made self-sustaining or, in any event, for more than 10 years.

3. Loans and grants for minor improvements and minimum repairs to farm dwellings and other farm buildings on farms which, in the opinion of the Secretary of Agriculture, cannot be made self-sustaining. The amount available in such cases would be limited to \$1,000 for any one farm or dwelling or building owned by one individual, and not in excess of \$2,000 in the aggregate to any one individual, and the grant portion with respect to any one dwelling or building could not exceed \$500.

Loans are to be refinanced through cooperative or other responsible private credit sources whenever feasible.



## SECTION 401. FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

In order to be eligible for assistance under the title, the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or share cropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

For the purposes of this title, a "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary is required to determine promptly whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination is final and conclusive.

## SECTION 402. LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

This section authorizes the Secretary to make loans, repayable in 33 years at 4-percent interest, to eligible applicants having the ability to repay in full the sum to be loaned, giving due consideration to the income and earning capacity of the applicant and his family from farm and other sources, and the maintenance of a reasonable standard of living for the owner and occupants of the farm. Such loans would be secured by the applicant's equity in the farm and such additional collateral as the Secretary may determine to be necessary to assure repayment of the indebtedness. All loans would be made upon condition that they be refinanced through cooperative or other responsible private-credit sources whenever it appears that the borrower will be able to do so upon reasonable terms and conditions.

## SECTION 403. LOANS FOR DWELLINGS ON POTENTIALLY ADEQUATE FARMS

This section provides for the assistance needed for those farmers whose present income is such that some assistance over and above the long-term, low-interest credit provided in section 402 is necessary in order to put them into a position to acquire and maintain acceptable housing and related facilities, but whose farm enterprise is capable of being redeveloped by improvement or enlargement of the farm, or by adjustment of farm practices or methods, so as to bring them within a reasonable period of time within the group of farmers in need only of liberal credit aids.

With respect to a farm owned by an applicant whose income does not appear to be sufficient to make the annual repayments of principal

and interest within the maximum period of the loan, the Secretary would be authorized under this section to make the loan, on the same terms and conditions as loans made under section 402, if the income of the applicant can be sufficiently increased, within a period of not more than 10 years, by the improvement and enlargement of the farm or adjustment of farming practices or methods and the applicant has adopted or will adopt a plan to so increase his income. In connection with such loans, the Secretary will also be authorized to agree to make annual contributions, within a 10-year period, in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the annual principal payments in any year and not to exceed such amount as the borrower's income for the year falls short of the income needed to make scheduled payments. This agreement, with respect to credits, will accrue only to the benefit of the borrower or to such other eligible persons as the Secretary may determine.

#### SECTION 404. OTHER LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

This section authorizes the Secretary to extend financial assistance to the owner of a farm for which there is no reasonable prospect of development into a farm capable of supporting adequate housing and farm buildings. With respect to such a farm, and eligible applicant could secure from the Secretary a grant or combination of loan and grant to cover the cost of improvements or additions, such as roof repairs, toilet facilities, convenient and sanitary water supplies, screens, structural supports and similar improvements, when such improvements are necessary to make the dwellings and buildings safe and sanitary and remove hazards to the health of the occupant, his family or the community. The maximum grant with respect to any one dwelling or building would be \$500. A combination loan and grant is limited to \$1,000 with respect to any one farm, dwelling, or building, and to a maximum of \$2,000 financial assistance under this section to any one individual.

#### SECTION 405. MORATORIUM ON PAYMENTS UNDER LOANS

This section authorizes the Secretary to grant a moratorium upon the payment of principal and interest on any loan on which, due to circumstances beyond the borrower's control, the borrower is unable to continue to make scheduled payments without unduly impairing his standard of living. In extreme hardship cases, interest might be canceled during the moratorium, and, should foreclosure subsequently be necessary, no deficiency judgment would be taken against such a borrower if he had faithfully tried to meet his obligations.

#### SECTION 406. TECHNICAL SERVICES AND RESEARCH

This section provides that all new buildings constructed, or repairs made with financial assistance under this title shall be substantially constructed in accordance with such plans and specifications as may be required by the Secretary. This section also authorizes the supervision and inspection of construction to the extent which may be



found necessary for accomplishing the purposes of this title and for the preservation of the Government's security interest. The extent of the requirements for building plans, supervision, and inspection would depend upon the character of the construction and the amount of the loan.

The Secretary would also be authorized under this section to furnish, without charge or at such charges as he may determine, to any person, including any person eligible for financial assistance under this title, building plans, specifications, construction supervision, advice and information, and similar technical services regarding farm dwellings and other buildings. In order to assure that such services are rendered consistent with the primary purpose of the bill, specific authorization for research and technical studies is contained in this section. It is contemplated that the research studies will include economic, technical, and research to provide an adequate basis for extending financial assistance and for the preparation of estimates and reports on national farm housing needs and the progress being made toward meeting such needs which the Secretary would be required to submit under this section. Through the provisions of this section it is believed that funds made available to eligible borrowers will go far in demonstrating and effectuating economies in farm-building construction which are so necessary on most of the farms of the Nation if they are to be improved with adequate buildings.

#### SECTION 407. PREFERENCE FOR VETERANS

This section requires that the Secretary of Agriculture give preference to veterans and families of deceased servicemen as between eligible applicants for assistance under this title.

#### SECTION 408. LOCAL COMMITTEES TO ASSIST SECRETARY

This section permits the use of committees of local farmers in examining the applications for assistance under this title and the making of recommendations to the Secretary with respect to the applicant's eligibility, his likelihood of success, his character, ability, and experience, and whether the farm with respect to which the application is made is of such character that the making of the loan will carry out the purposes of this title. The local committees will also certify their opinions as to the reasonable values of the farms, for security purposes. Committees of farmers appointed under this section or pursuant to existing law, principally those appointed under the Bankhead-Jones Farm Tenant Act, will be utilized.

#### SECTION 409. GENERAL POWERS OF SECRETARY

This section gives the Secretary the power to determine and prescribe standards of adequate farm housing and other farm buildings for individual farms and for localities. In prescribing such standards, he will take into consideration such things as the type of housing which will provide decent, safe, and sanitary dwellings for the family of the occupant, the type and character of the farming operations contemplated and the size and earning capacity of the land.

This section also authorizes the Secretary to require an applicant to agree that the improvements, constructed with assistance under

this title, shall not be a justification for unwarranted changes in the lease or occupancy agreements between the applicant and the occupant of such farms without the Secretary's approval. This provision has for its purpose assurance that the benefits of this title will be extended to the tenants on the applicant's farm without the danger of charging such tenants for benefits which inure to the landowner.

#### SECTION 410. ADMINISTRATIVE PROVISIONS

This section enumerates certain powers to be vested in the Secretary which are necessary in the administration of a program of this type. Of most importance among these is the authority to compromise claims and obligations arising under this title in the manner which has been successfully undertaken in connection with loans made under the Bankhead-Jones Farm Tenant Act. One of the most effective devices in the servicing of loans is the power which would be granted the Secretary to release borrowers from personal liability without regard to their debt-paying ability in connection with the transfer of their farms to the Secretary or to other approved applicants who assume all or a portion of the outstanding indebtedness to the Secretary. The provisions of the General Debt Settlement Act applicable to programs administered by the Secretary of Agriculture (58 Stat. 836) are also made applicable to claims under this title. This section also includes such servicing authority as collection of claims and pursuing them to final judgment, if necessary, in any court of competent jurisdiction, with the assistance of the Attorney General and the United States attorneys; the bidding for and the purchasing, at foreclosure sale or otherwise, of property securing obligations under this title; and the lease, operation and sale of such security property on terms and conditions determined by the Secretary to be reasonable. Under this provision, security property acquired in liquidation of obligations can be disposed of in furtherance of the principal objectives of the act.

#### SECTION 411. LOAN FUNDS

This section authorizes the financing of loans to farm owners by means of funds made available to the Secretary of Agriculture by the Secretary of the Treasury on such terms and conditions as may be prescribed by the Secretary of Agriculture with the approval of the Secretary of the Treasury. The Secretary of the Treasury would use the proceeds of the sales of securities under the Second Liberty Bond Act to secure funds advanced to the Secretary of Agriculture. Such advance would be repaid primarily from the repayments of principal and interest on obligations of individual borrowers.

Under this section, the contemplated loan program begins with \$25,000,000 to be available on and after July 1, 1949, and such additional sums as may be determined by the Congress from time to time to be made available on and after July 1, 1950, July 1, 1951, and July 1, 1952. These sums will not exceed \$50,000,000, \$75,000,000, and \$100,000,000, respectively.

#### SECTION 412. CONTRIBUTIONS

This section limits the agreements of the Secretary with borrowers under the authority of section 403 on potentially adequate farms so



that the aggregate contributions or credits under those agreements made on and after July 1, 1949, will not exceed \$500,000 per annum for not to exceed 10 years, and limits additional commitments pursuant to the same section made on and after July 1 of the years 1950, 1951, and 1952, to those calling for additional annual credits of not more than \$1,000,000, \$1,500,000, and \$2,000,000, respectively.

#### SECTION 413. AUTHORIZATION FOR APPROPRIATIONS

This section authorizes appropriations to supplement receipts from borrowers so that the Secretary of Agriculture may fully repay the Secretary of the Treasury the amounts advanced and interest thereon when due. It also authorizes an initial appropriation of \$1,000,000 for temporary repair grants under section 404, to be made on and after July 1, 1949, and additional appropriations for this purpose to be made available on and after each of the years 1950, 1951, and 1952, in the amounts of \$2,500,000, \$4,000,000, and \$5,000,000, respectively. Authorization is provided finally for sums to be appropriated for the research and technical services and for general administration of this title of the bill.

### TITLE V—MISCELLANEOUS PROVISIONS

#### SECTION 501. ADVISORY COMMITTEES

This section authorizes the Housing and Home Finance Administrator to appoint such advisory committees as may be necessary in carrying out his functions, powers and duties under this or any other act.

This section also provides that service as a member of any such advisory committee shall not constitute any form of service or employment within the provisions of title 18, United States Code, section 281, 283, or 284.

Title 18, United States Code, section 283, prohibits an officer or employee of the United States from acting as agent or attorney for prosecuting any claim against the United States or aiding or assisting in the prosecution or support of any such claim or receiving any gratuity or any share of or interest in any such claim, and provides a fine of not more than \$10,000, or not more than 1 year's imprisonment, or both.

Title 18, United States Code, section 281, prohibits an officer or employee of the United States directly or indirectly from receiving or agreeing to receive any compensation for any services rendered or to be rendered in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest or other matter in which the United States is a party or directly or indirectly interested before any agency, court or commission, and provides a fine of not more than \$10,000 or not more than 2 years' imprisonment, or both.

Title 18, United States Code, section 284, prohibits any person within 2 years after employment in any agency of the United States from prosecuting or acting as counsel, attorney, or agent for prosecuting, any claims against the United States involving any matter directly connected with which such person was so employed or performed duty. It provides a fine of not more than \$10,000 or imprisonment for not more than 1 year, or both.

This section follows title III, section 303 (b), Public Law 253, Eightieth Congress—the National Security Act of 1947—except that this section of the bill provides a complete exception from title 18, United States Code, section 284, whereas the National Security Act provision grants exception from such provision unless the act of such individual is made unlawful when performed by such individual, with respect to any particular matter which directly involves the department or agency which such person is advising or in which such department or agency is directly interested. The provisions of this section of the bill necessarily must be broader so as to not bring a member of the advisory committee who is doing business with the Federal Housing Administration within the prohibition of that section.

#### SECTION 502. AMENDMENTS OF NATIONAL BANKING ACT

By reason of the provisions of the new section 22 of the United States Housing Act of 1937, as amended (which new section is added by sec. 204 (b) of the bill), special security features would attach to definitive bonds issued by local public-housing agencies in connection with the low-rent public-housing program. Special security features would also attach to short-term notes issued by local public agencies in connection with slum-clearance projects, and by public-housing agencies in connection with low-rent housing projects, when secured by a pledge of rights of any such agency under its loan contract with the Government.

In recognition of these security features, section 502 (a) provides for an amendment of the National Banking Act so that national banks, and (to the extent permitted by State laws) State member banks of the Federal Reserve System, would be authorized to purchase larger amounts, and, to underwrite, local public-housing agency definitive bonds and, when adequately secured, short-term notes (which obligations shall have a maturity of not more than 18 months) issued by local public agencies in connection with slum-clearance projects or by public-housing agencies in connection with low-rent public-housing projects. Without this amendment, investment in such obligations by these banks would continue to be subject to the same restrictions as are applicable to local public-housing agency definitive bonds, which are now issued without these special security features. In other words, they could be purchased for the banks' own account only to the extent of 10 percent of unimpaired capital and surplus.

Section 502 (b) is a technical amendment which should be made in conjunction with the amendment of the National Banking Act provided for in section 502 (a). The amendment to paragraph seventh of section 5136 of the Revised Statutes, made by subsection 502 (a), relates to short-term obligations only when they are classified as "investment securities." However, there could arise some question as to whether some issues of these short-term notes would be investment securities or would rather partake of the nature of a loan. Therefore, it is necessary to also amend section 5200 of the Revised Statutes which prescribes the same limitations for the purchase of loans as are prescribed by section 5136 for the purchase of investment securities.



## SECTION 503. NATIONAL HOUSING COUNCIL

This section provides that the Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

## SECTION 504. AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

The Government Corporations Appropriation Acts for 1948 and for 1949 included provisos to the effect that no payments of annual contributions should be made which were occasioned by payments in lieu of taxes in excess of amounts originally contracted for. This restriction had the effect of prohibiting payments in lieu of taxes equal to 10 percent of shelter rents, as had been previously authorized by PHA, and as will be authorized in the future under subsection 205 (b) of this bill. These provisos of the two appropriation acts are therefore repealed as of the beginning of the fiscal years for which they apply, thus validating any payments already made with the approval of PHA and in other cases permitting payments in lieu of taxes on the restricted basis (generally 5 percent of shelter rents) authorized for these 2 years in subsection 205 (b).

The Government Corporations Appropriation Act for 1949 also limits the number of employees of the Public Housing Administration above grades CAF-10 and P-3 to not exceeding 20 percent of the total number of administrative employees. Under the expanded program of low-rent public housing a relatively greater number of trained technical employees will be required than were necessary under the former operations of the agency when low-rent public housing represented only a small portion of its total responsibilities. This section also repeals this 20-percent limitation in order to permit the recruitment of the trained personnel which will be necessary to put the new program into operation.

## SECTION 505. DEPUTY HOUSING AND HOME-FINANCE ADMINISTRATOR

This section provides for the appointment and compensation of a Deputy Housing and Home Finance Administrator who would act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and who shall perform such other duties as the Administrator shall direct.

## SECTION 506. CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

This section permits State-aided low-rent housing or veterans' housing to be converted, under specified conditions, to low-rent housing assisted under the United States Housing Act of 1937. The conditions to such conversion are (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States

Housing Act of 1937, as amended, and (c) the public-housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended. Its inclusion in this bill makes necessary the repeal of a similar provision contained in section 503 of the Housing Act of 1948 which applied only to projects where a State contract was made prior to January 1, 1949.

#### SECTION 507. CENSUS OF HOUSING

This section provides a permanent authorization for the Director of the Census, in the year 1950 and decennially thereafter, to take a housing census (similar to that first taken in 1940, which included information about the number, characteristics, quality, values, rentals, geographic distribution, etc.) in conjunction with and as a part of the population inquiry of the decennial census.

#### SECTION 508. NATIONAL CAPITAL HOUSING AUTHORITY

This section would restore to the National Capital Housing Authority the power to acquire sites for low-rent public housing projects assisted under the United States Housing Act of 1937, as amended, including the amendments contained in title II of the bill. Without this amendment, the District of Columbia would not be able to obtain the benefits provided by title II of the bill.

#### SECTION 509. DISTRICT OF COLUMBIA PARTICIPATION

This section makes available to the District of Columbia the benefits provided under titles I and II of the bill. It authorizes the participation of the District of Columbia Redevelopment Land Agency, the National Capital Housing Authority, and other appropriate agencies operating in the District of Columbia to receive the benefits of titles I and II of H. R. 4009 on the same basis and to the same extent that the States, Territories, and other municipalities would be authorized to participate. Under the provisions of this section of the bill, the District of Columbia Redevelopment Act of 1945 is continued in full force and effect. However, it provides an alternative method of financing slum clearance and redevelopment operations in the District of Columbia Redevelopment Land Agency by vesting in that Agency (subject to the approval of the Commissioners of the District of Columbia) the power to accept financial assistance which would be authorized under title I of H. R. 4009.

The section authorizes the allowance of credits for local grants-in-aid in connection with projects undertaken within the District of Columbia, under title I of H. R. 4009, to the same extent as local grants-in-aid are approvable for other cities and States. It also provides that, in the event such local grants-in-aid are not sufficient to meet the local grants-in-aid requirements, the Housing and Home Finance Administrator may rely upon agreements entered into between the District Commissioners and the District of Columbia Redevelopment Land Agency to make cash payments of such deficiencies from the funds of the District of Columbia and to authorize appropriations to the District Commissioners for such purpose, where necessary.



With respect to any project undertaken with financial assistance under title I of H. R. 4009, it also makes sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of the District of Columbia Redevelopment Act of 1945 inapplicable to any real property which, in accordance with the redevelopment plan adopted by the Planning Commission and approved by the District Commissioners, is to be devoted to public housing undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934 (the District of Columbia Alley Dwelling Act, as amended). The National Capital Housing Authority would be entitled to acquire by deed those pieces of real property within a redevelopment project area which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and in accordance with the requirements of section 107 of H. R. 4009 the National Capital Housing Authority would be obligated to pay for such real estate out of funds made available for such acquisition.

#### SECTION 510. ACT CONTROLLING

This section contains the standard provision providing that the provisions of this act shall control in the case of inconsistency with other legislation.

#### SECTION 511. SEPARABILITY

This is the usual separability clause.

### XII. CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### UNITED STATES HOUSING ACT OF 1937, AS AMENDED

##### DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in [rural or urban communities] *urban and rural non-farm areas*, that are injurious to the health, safety, and morals of the citizens of the Nation.

##### DEFINITIONS

Sec. 2. When used in this Act—

(1) The term "low-rent housing" means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. [The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.] *The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the*

time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age.

(2) The term "families of low income" means families who are in the lowest-income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

(3) The term "slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

(4) The term "slum clearance" means the demolition and removal of buildings from any slum area.

(5) The term "development" means any or all undertakings necessary for planning, [financing (including payment of carrying charges),] land acquisition, demolition, construction, or equipment, in connection with a low-rent housing [or slum-clearance] project [but not beyond the point of physical completion.] The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

(6) The term "administration" means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

(7) The term "Federal project" means any project owned or administered by the Authority.

(8) The term "acquisition cost" means the amount prudently required to be expended by a public-housing agency in acquiring a low-rent-housing or slum-clearance project.

(9) The term "nondwelling facilities" shall include site developments, improvements, and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

(10) The term "going Federal rate [of interest]" means [at any time] the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the [then] most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: Provided, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.

(11) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance. The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency.

(12) The term "State" includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(13) The term "Authority" means the United States Housing Authority created by section 3 of this Act.

(14) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.



(15) *The term "initiated" when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.*

#### UNITED STATES HOUSING AUTHORITY

SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

(c) The Administrator shall receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such officers, attorneys, and experts, and such employees whose compensation is in excess of \$1,980 per annum, as may be necessary to carry out the purposes of this Act.

(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of \$7,500 per annum shall be subject to confirmation by the Senate.

(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this Act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this Act.

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States.

The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

(c) The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-

clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

(b) The provisions of section 3709 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than \$300.

(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1439) and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

(d) No annual contribution, grant, or loan, and no contract for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.

(e) *With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.*

SEC. 7. (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

(b) In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition cost of such project. Such loans shall bear interest at such rate not less than the *applicable* going Federal rate [at the time the loan is made,] plus one-half of 1 per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority: *Provided, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: And provided further, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.*



## ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public-housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. [No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash or tax remissions, general or special, or tax exemptions, at least 20 per centum of the annual contributions herein provided.] The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period. [Provided, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.]

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contributions based upon development, acquisition, or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the applicable going Federal rate [of interest at the time such contract is made] plus 1 per centum, upon the development or acquisition cost of the low-rent housing or slum-clearance project involved [And provided further, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency].

(c) [In case any contract for annual contributions is made for a period exceeding twenty years, the Authority shall reserve the right to reexamine the status of the low-rent housing project involved at the end of ten years and every five years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved.] *Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.* In no case shall any contract for annual contributions be made for a period exceeding sixty years: *Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.

(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuances of obligations pursuant to section 20 (including repayments or other realizations of the principal

of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

(e) The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than \$28,000,000 per annum. With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: Provided, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: And provided further, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and fifty thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and fifty thousand dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: Provided, That (subject to the authorization of not to exceed one million and fifty thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional one hundred thousand dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year one hundred thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: And provided further, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than one million and fifty thousand dwelling units without further authorization from the Congress. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate: Provided, That annual contributions shall be used first to apply toward the payment of interest or principal as same mature on any loan due to the Authority from the public housing agency. The term "any loan due to the Authority" as used in this section shall mean any loan made by the Authority (including any bonds or other evidences of such loan which are resold by the Authority) to assist the development of the project to which the annual contributions relate.

(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than five years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be



given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than five years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected.

(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent-housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contributions were payable during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amounts specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947.*

#### CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character **[**: *Provided, however, That no capital grant shall be made for the development of any low-rent housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families*].

(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans

made out of such capital and funds) shall not be available for the payment of such capital grants.

(d) The Authority is authorized, on or after the date of the enactment of this Act, to make capital grants (pursuant to subsec. (b) of this section) aggregating not more than \$10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than \$10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than \$10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent-housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

#### DISPOSAL OF FEDERAL PROJECTS

SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of the Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the Act of June 30, 1932 (U. S. C., 1934 edition, title 40, sec. 303b), shall not apply to any lease pursuant to this Act.

(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

#### GENERAL POWERS OF THE AUTHORITY

SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) [otherwise] acquire or take possession of [and may administer] any [low-rent housing] project which it previously owned or in connection with which it has made a loan [pursuant to section 9], annual [contributions pursuant to section 10] contribu-



tion, or capital [grants pursuant to section 11] grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.

(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

(e) The Authority may sell or exchange at public or private sale, or lease any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this Act. *When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: Provided, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged. Any rule of law contrary to this provision shall be deemed inapplicable.*

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

(5) No contract for any loan, annual contribution, or capital grant made pursuant to this Act shall be entered into by the Authority with respect to any low-rent housing project [hereafter initiated costing] completed after January 1, 1948, having a cost for construction and equipment of more than [\$4,000 per family dwelling unit or more than \$1,000] \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska [any city, the population of which exceeds 500,000,] any such contract may be entered into with respect to a project having a cost for construction and [hereafter initiated costing] equipment of not to exceed [\$5,000] \$2,500 [per family dwelling unit or not to exceed \$1,250] per room (excluding land, demolition, and nondwelling facilities): [if in the opinion of the Authority such higher family dwelling unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs:] *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. [With respect to housing projects on which construction is hereafter initiated, the] The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner [(a)] that such projects will not be of elaborate or [expensive] extravagant design or materials, and economy will be promoted both in construction and administration. [and (b) that the average construction cost of the dwelling units (excluding land, demolition, and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this Act.] In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract.

(6) Notwithstanding the provisions of subsection (5) of this section, or of any other section of this Act, the Authority is authorized to make capital grants, loans, or annual contributions for low-rent-housing or slum-clearance projects, in the full amount of any sums previously allocated pursuant to this Act, to any public housing agency, at the request of such agency, upon condition that such agency will pay, or cause to be paid by the State or political subdivision, such proportion of the total development cost of the project as the amount of the average actual cost per family dwelling unit of the items covered by the applicable cost limitations prescribed in subsection (5) of this section in excess thereof bears to such average actual cost: *Provided*, That the amount of any such payment shall be excluded from the base on which the maximum amount of any capital grants, loans, or annual contributions authorized by this Act are calculated. The receipt of capital grants, loans, or annual contributions by any public-housing agency pursuant to this



subsection shall in no way prejudice or impair the rights or privileges of such agency to participate fully in other low-rent-housing or slum-clearance projects under this Act or any other law. Nothing in this subsection shall prejudice the right of those public-housing agencies which can, by reason of lesser need, or would prefer to delay the starting of their proposed building operations until labor and material costs stabilize at levels consistent with the cost limitations prescribed in subsection (5) of this section.

(7) *In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—*

(a) *the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and*

(b) *the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.*

(8) *Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—*

(a) *the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;*

(b) *a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: Provided, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;*

(c) *in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and*

(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.

(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.

SEC. 16. In order to protect labor standards—

(1) The provisions of the Act of August 30, 1935, entitled "An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the Act of August 24, 1935, entitled "An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work" (U. S. C. 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that *not less than* the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

(3) The Act entitled "An Act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

(4) The benefits of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U. S. C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this Act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within five days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### FINANCIAL PROVISIONS

SEC. 17. The Authority shall have a capital stock of \$1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of



any available funds. Receipts for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$26,000,000 for the fiscal year ending June 30, 1938, of which \$1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this Act.

SEC. 20. [(c) The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this Act. The Authority may issue such obligations in an amount not to exceed \$800,000,000, exclusive of any obligations which may be issued for refunding purposes. Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority with the approval of the Secretary of the Treasury.

[(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

[(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

[(d) Such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

[(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.]

*The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.*

SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any

Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

(d) Not more than 10 per centum of the [funds provided for in this Act, either in the form of a loan, grant, or annual contribution,] total annual amount of \$428,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State.

#### PRIVATE FINANCING

SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this Act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this Act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: Provided, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this Act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.

#### PENALTIES

SEC. [22] 23. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use or disposal of public moneys or property of the United States shall apply to the moneys and property



of the Authority and to moneys and properties of the United States entrusted to the Authority.

SEC. [23] 24. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or makes any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. [24] 25. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. [25] 26. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. [26] 27. No individual, association, partnership, or corporation shall use the words "United States Housing Authority", or any combination of these four words, as the name or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding \$1,000.

SEC. [27] 28. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public, Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public, Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other Act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

SEC. [28] 29. The President is hereby authorized to make available to the Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public, Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Funds and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

SEC. [29] 30. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. [30] 31. This Act may be cited as the "United States Housing Act of 1937".

#### THE NATIONAL BANK ACT

R. S. § 5136. \* \* \* a national banking association \* \* \* shall have power—

\* \* \* \* \*

Seventh.<sup>1</sup> To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking \* \* \*. The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund \* \* \*. Except as hereinafter provided or otherwise

<sup>1</sup> This provision (sec. 5136 of the Revised Statutes) is in sec. 24 of title 12 of the United States Code (1946 edition). Sec. 335 of the same title provides that "State member banks [of the Federal Reserve System] shall be subject to the same limitations and conditions with respect to the purchasing, selling, underwriting, and holding of investment securities and stock as are applicable in the case of national banks under paragraph 'Seventh' of sec. 24 of this title."

permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation. The limitations and restrictions herein contained as to dealing in, underwriting and purchasing for its own account, investment securities shall not apply to obligations of the United States, or general obligations of any State or any political subdivision thereof, or obligations issued under authority of the Federal Farm Loan Act, as amended, or issued by the Federal Home Loan Banks or the Home Owners' Loan Corporation, or obligations which are insured by the Federal Housing Administrator pursuant to section 207 of the National Housing Act if the debentures to be issued in payment of such insured obligations are guaranteed as to principal and interest by the United States, or obligations of national mortgage associations, or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations \* \* \*

R. S. § 5200. The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof and shall include in the case of obligations of a corporation all obligations of all subsidiaries thereof in which such corporation owns or controls a majority interest. Such limitation of 10 per centum shall be subject to the following exceptions:

(11)<sup>2</sup> Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed

<sup>2</sup> This subsection would be added to sec. 5200 of the Revised Statutes (sec. 84 of title 12 of the United States Code, 1946 edition).



to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose.

THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948

TITLE I

\* \* \* \* \*

FEDERAL PUBLIC HOUSING AUTHORITY

Annual contributions: [\* \* \* *Provided further, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Federal Public Housing Authority:* \* \* \*.]<sup>3</sup>

\* \* \* \* \*

THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

TITLE I

\* \* \* \* \*

PUBLIC HOUSING ADMINISTRATION

Annual contributions: [\* \* \* *Provided further, That no part of this appropriation shall be used to pay any public housing agency any contribution occasioned by payments in lieu of taxes in excess of the amount specified in the original contract between such agency and the Public Housing Administration or its predecessor agencies:* \* \* \*.]<sup>4</sup>

\* \* \* \* \*

TITLE II

\* \* \* \* \*

HOUSING AND HOME FINANCE AGENCY

\* \* \* \* \*

Public Housing Administration: [\* \* \* *Provided, That the number of officers and employees in classification grades 11 of the clerical, administrative, and fiscal service, and 4 of the professional service, and higher grades shall not exceed 20 per centum of the total number of officers and employees paid from such funds:* \* \* \*.]

\* \* \* \* \*

THE HOUSING ACT OF 1948

\* \* \* \* \*

TITLE III—[STANDARDIZED BUILDING CODES AND MATERIALS] HOUSING<sup>6</sup>  
RESEARCH

SEC. 301. The Housing and Home Finance Administrator [shall undertake] shall—(a) undertake and conduct a program with respect to technical research and studies [to develop and promote the acceptance and application of] concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, [and] standardized dimensions and methods for the assembly of home-building materials and [equipment.] equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction,

<sup>3</sup> This proviso would be repealed as of July 1, 1947.

<sup>4</sup> This proviso would be repealed as of July 1, 1948.

and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321b, the results of such research and studies in such form as may be most useful to industry and to the general public.

(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this Act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

SEC. 302. [In the performance of, and with respect to, the functions, powers, and duties vested in him by] In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, [and, notwithstanding any other law, shall appoint a Director to administer under his general supervision the provisions of this title.] and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

\* \* \* \* \*

The proposed Housing Act of 1949 would repeal section 503 of the Housing Act of 1948 and provide substitute language as section 506 of the Housing Act of 1949. The change in language is indicated below.

SEC. [503] 506. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof [and with the express purpose indicated in the State legislation of converting the project to a project with Federal assistance (if and when such Federal assistance becomes available),] shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, [1949] 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual



contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project.

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## MINORITY REPORT

Political ownership of human shelter is the mark of the beast. Nothing can be more communistic. Those who live in houses owned by the political authority are in the nature of things so completely beholden to it as to make them amenable to its dictation in respect of the selection of persons to perform the duties of government. Willingly or not, this right of franchise is impaired.

If the pending measure, H. R. 4009, held out no hope to the power planners for more votes and greater political security, it would never have become a subject for congressional consideration.

In 1938 the Administration boldly attempted to make an over-the-counter deal to purchase with United States Housing Authority funds the reelection of the incumbent Member of Congress from my district, the Eighth Ohio. I was serving as mayor of Marion, and it was generally known that I intended to run for Congress.

Out of a clear sky, without even a hint from anyone that anything like it was brewing, Marion residents first learned about the attempted deal on picking up their daily newspaper and reading large headlines that Marion was to receive a million dollars for so-called slum clearance and housing.

Of course, to anyone having even an elementary understanding of Washington politics the proposition was sun clear. I made a study of the United States Housing Act and its operations and imparted my findings to the citizens of Marion.

Meanwhile the Washington forces moved in and began their insidious work of propagandizing for public approval their vote-buying and power-grabbing scheme. Armed with the power of eminent domain, which the Constitution never intended to be used for any such purpose as this, and guided only by their political interests, those forces, through a handful of local hirelings, went into sections of Marion and staked off what they arbitrarily called slum areas.

The local daily carried the news:

Slum survey of Marion filed with the State Board. Points brought out in discussing these data are: Social diseases of various forms found in these areas; desirable tenants have gradually withdrawn from the areas until a low class of occupants have almost destroyed the livability of the structures. Among the comments made in the introduction of the survey were that \* \* \* persons are living below decent levels in regard to sanitation and moral environment \* \* \* A low standard of living has been continuing for many years. \* \* \* and will without a doubt continue to the detriment of the city and community in general unless action is taken.

I was thoroughly acquainted with the sections designated "slum areas." As a physician I had occasion to personally know many of the families living in them. Some of them were poor and lacked facilities and conveniences that others enjoyed. The statement that "desirable tenants have gradually withdrawn from the area until a low class of occupants have almost destroyed the livability of the structure," was not only a contemptible falsehood but also libelous in the highest degree.



On the most populated street in one of the sections which were designated slum areas, 55 percent of the families owned their homes free of debt. The areas are very sparsely occupied. There is no such thing as crowding in any sense. Maybe there were social diseases in those areas. But according to my experience syphilis and gonorrhea were no more prevalent in those parts than in the other sections of Marion.

How did the local stooges of the United States Housing Authority find out that there were social diseases in those areas? When questioned on that point they replied that their information was given them by the local board of health. That was a falsehood, because it so happened that I was president of the Marion City Board of Health at that time, of which they were not even aware when they made this slanderous attack, and I know that no one on the board gave out any such information or was in a position to do so.

When the persons who were responsible for this vicious conduct were driven by a self-respecting and righteously indignant people into a position of defense, their answer was, "We just followed instructions from Washington." Of course, Washington is the only source from which such evil work as this can come.

There was no slum in Marion then and there is none there now. I would to God that we had in Washington the willingness to earn an honest living and the integrity that prevails in those sections in Marion Ohio, that were designated by the Federal housing bureaucracy as slum areas. If we had, the threat of communism that now so ominously stalks before us would not exist.

I was hailed before the Ohio State Housing Board, not to explain my opposition to the scheme but to be told that as mayor of Marion I had no authority in the matter. I was given to understand that the determination of the placing of these political housing projects was no concern of any little mayor. That was a matter for the great United States Housing Authority, acting through the State Housing Authority, to decide.

The upshot of it all was no sale. The citizens of Marion refused to sell their souls for a mess of political pottage. Marion was saved from one of the worst political blights that ever struck any nation.

The United States Housing Act of 1937, of which H. R. 4009 is mainly an extension, is the most deceptive and dishonest piece of legislation on our statute books, and there are many dishonest and deceptive laws on them. The promoters of the scheme deliberately give out the impression that these houses are built for the people living in slum areas and the poorest people generally. That is a falsehood of the first water. Mr. Thomas Danahey, at one time president of the Detroit Housing Commission, forthrightly and truly stated the facts. He said:

In the first place, it must be made clear that they [the housing projects] will not be rented to slum residents or welfare clients. The tenants in these buildings will be people with definite minimum incomes and to be eligible to move in they must prove that their incomes are steady. There seems to be an impression that the slum residents are going to take over the buildings. Such is not the case.

I showed in testimony given before the House Committee on Banking and Currency in 1939, as appears in the Congressional Record of July 24 of that year, page 13827, from data obtained from eight housing projects in New York, Texas, and Florida, the only such

data that I was able to obtain, although I requested the same from many other local housing authorities, that only about 17 percent of the families eligible for occupying the dwellings in those projects were of the lower third income group, and nearly all of them were from the uppermost part of that group.

More than 80 percent of the families living in the above-indicated projects were from the middle income third, some even from the upper income third.

From information that I have been able to obtain, it would appear that the situation is more unfavorable to the lower third income group now than it was at that time. In fact, it is generally known by all in possession of the facts that so-called Federal low rent housing is available only to persons of a substantial income, and that it is definitely not available to the really poor people. The arrangement was definitely so planned.

After all, there is more political gravy to be had from the housing of a group with a substantial income than there is from poorhouses.

The United States Housing Act of 1937, together with the several State laws creating so-called local housing authorities, could not possibly have been devised by anyone who believes in the American tradition of freedom. Only alien-minded persons who adhere to the Marxian philosophy could have done this.

Take a look at the State laws pertaining to the subject. In substance they are all substantially alike and must have been written by the same hand.

Once the local housing authority is established, it becomes a body "corporate and politic" over which the municipality loses much if not all of its authority.

Section 1078-34-A, of Ohio General Code:

the governing body, chairman, and counsel of the housing authority shall perform the duties of the municipal council, mayor, and solicitor, respectively \* \* \* and the members of the housing authority shall, and are hereby authorized, to exercise and carry out all other powers and duties conferred upon officers of municipal corporations by the laws providing for such appropriation proceedings.

Section 1078-34:

An authority created under this Act shall constitute a body corporate and politic, \* \* \* shall have the following powers in addition to others herein specifically granted:

b. To determine what areas constitute slum areas \* \* \* and to prepare plans for housing projects in such areas; to purchase, lease, sell, exchange, transfer, assign, or mortgage any property, real or personal, or any interest therein, or acquire the same by gift, bequest, or eminent domain.

Practically all the State laws make the local housing authority a "body corporate and politic," so that it becomes a distinct and independent municipality or political subdivision within a municipality or a political subdivision. The Illinois law specifically provides—

An authority shall be a municipal corporation and shall constitute a body both corporate and politic, exercising public and essential governmental functions.

Under the United States Housing Act the following agreement was entered into between the city and the local housing authority, that is between the city and the United States Housing Authority which is what it really amounted to on final analysis.

The city agrees that, during the period commencing with the date of the acquisition of any part of the site or sites for each project and continuing throughout the



useful life of such project, it will not levy, impose, or charge any taxes, special assessments, \* \* \* service fees, charges, or tolls against the project or against the authority, and will furnish, without cost or charge to the authority or the tenants thereof, municipal services and facilities for such project and the tenants thereof, of the same character as those furnished without cost or charge for other dwellings and inhabitants in the city, including but not limited to: \* \* \* fire, police, and health protection and services, street maintenance, snow removal, garbage, trash, and ash collection and disposal, street lighting on public streets within any project and on the boundaries thereof, and sewer services; that it will maintain in good repair and working order any and all municipal utilities and facilities, provided by it for the use and benefit of each project and the tenants thereof; and that it will maintain in good repair, streets, roads, and alleys which are within, adjacent, or leading to the boundaries of each project.

Thus it will be seen that so-called Federal low-rent housing projects are foreign bodies, Communist plants, in the municipalities where they are located and simulate in a marked degree cancerous growths in the human organism.

Political ownership or control, these are tantamount to the same thing, is the ultima ratio, the clinching force, for the sustentation of communism. The extent of the development of communism in any country can be measured by determining the amount of political control that is exercised over the provisioning of the materials, financing, constructions, etc., of houses and their disposition.

Measured by this yardstick it will be seen that this native land of ours is already far down the road of Marxism. Consider the enormous part the political authority plays in the financing of the construction of new homes and the power it has over such construction and over the disposition of such homes; the power it has over rental dwellings, about 14,000,000 or approximately one-third of all the dwelling units in the United States, through rent control; the many so-called low-rent housing projects already scattered over the Nation and much other political housing that has been and is being constructed.

The passage of H. R. 4009 will be a capital political victory over the economic life of the Nation, a sweeping advance on the part of the power planners toward their goal of complete regimentation, Russian style.

The title of H. R. 4009 should be—"A bill to further enslave the people of the United States."

FREDERICK C. SMITH.



81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4009

[Report No. 590]

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

MAY 16, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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## A BILL

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Housing Act of 1949".

### 4 DECLARATION OF NATIONAL HOUSING POLICY

5 SEC. 2. The Congress hereby declares that the general  
6 welfare and security of the Nation and the health and living



1 standards of its people require housing production and re-  
2 lated community development sufficient to remedy the seri-  
3 ous housing shortage, the elimination of substandard and  
4 other inadequate housing through the clearance of slums  
5 and blighted areas, and the realization as soon as feasible of  
6 the goal of a decent home and a suitable living environment  
7 for every American family, thus contributing to the develop-  
8 ment and redevelopment of communities and to the ad-  
9 vancement of the growth, wealth, and security of the  
10 Nation. The Congress further declares that such production  
11 is necessary to enable the housing industry to make its full  
12 contribution toward an economy of maximum employment,  
13 production, and purchasing power. The policy to be followed  
14 in attaining the national housing objective hereby established  
15 shall be: (1) private enterprise shall be encouraged to  
16 serve as large a part of the total need as it can; (2) gov-  
17 ernmental assistance shall be utilized where feasible to enable  
18 private enterprise to serve more of the total need; (3) ap-  
19 propriate local public bodies shall be encouraged and as-  
20 sisted to undertake positive programs of encouraging and  
21 assisting the development of well-planned, integrated resi-  
22 dential neighborhoods, the development and redevelopment  
23 of communities, and the production, at lower costs, of housing  
24 of sound standards of design, construction, livability, and  
25 size for adequate family life; (4) governmental assist-

1   ance to eliminate substandard and other inadequate  
2   housing through the clearance of slums and blighted  
3   areas, to facilitate community development and redevelop-  
4   ment, and to provide adequate housing for urban and  
5   rural nonfarm families with incomes so low that they  
6   are not being decently housed in new or existing hous-  
7   ing shall be extended to those localities which estimate  
8   their own needs and demonstrate that these needs are not  
9   being met through reliance solely upon private enterprise,  
10   and without such aid; and (5) governmental assistance  
11   for decent, safe, and sanitary farm dwellings and related  
12   facilities shall be extended where the farm owner dem-  
13   onstrates that he lacks sufficient resources to provide such  
14   housing on his own account and is unable to secure neces-  
15   sary credit for such housing from other sources on terms  
16   and conditions which he could reasonably be expected to  
17   fulfill. The Housing and Home Finance Agency and its  
18   constituent agencies, and any other departments or agencies  
19   of the Federal Government having powers, functions, or  
20   duties with respect to housing, shall exercise their powers,  
21   functions, and duties under this or any other law, consistently  
22   with the national housing policy declared by this Act and  
23   in such manner as will facilitate sustained progress in attain-  
24   ing the national housing objective hereby established, and  
25   in such manner as will encourage and assist (1) the produc-



1 tion of housing of sound standards of design, construction,  
 2 livability, and size for adequate family life; (2) the reduction  
 3 of the costs of housing without sacrifice of such sound stand-  
 4 ards; (3) the use of new designs, materials, techniques, and  
 5 methods in residential construction, the use of standardized  
 6 dimensions and methods of assembly of home-building ma-  
 7 terials and equipment, and the increase of efficiency in resi-  
 8 dential construction and maintenance; (4) the development  
 9 of well-planned, integrated, residential neighborhoods and the  
 10 development and redevelopment of communities; and (5)  
 11 the stabilization of the housing industry at a high annual  
 12 volume of residential construction.

# 13 TITLE I—SLUM CLEARANCE AND COMMUNITY 14 DEVELOPMENT AND REDEVELOPMENT

## 15 LOCAL RESPONSIBILITIES

16 SEC. 101. In extending financial assistance under this  
 17 title, the Administrator shall—

18 (a) give consideration to the extent to which ap-  
 19 propriate local public bodies have undertaken positive  
 20 programs (1) for encouraging housing cost reductions  
 21 through the adoption, improvement, and moderniza-  
 22 tion of building and other local codes and regulations  
 23 so as to permit the use of appropriate new materials,  
 24 techniques, and methods in land and residential plan-  
 25 ning, design, and construction, the increase of efficiency

1 in residential construction, and the elimination of re-  
2 strictive practices which unnecessarily increase housing  
3 costs, and (2) for preventing the spread or recurrence,  
4 in such community, of slums and blighted areas through  
5 the adoption, improvement, and modernization of local  
6 codes and regulations relating to land use and adequate  
7 standards of health, sanitation, and safety for dwelling  
8 accommodations; and

9 (b) encourage the operations of such local public  
10 agencies as are established on a State, or regional  
11 (within a State), or unified metropolitan basis or as  
12 are established on such other basis as permits such  
13 agencies to contribute effectively toward the solution  
14 of community development or redevelopment problems  
15 on a State, or regional (within a State), or unified  
16 metropolitan basis.

17 LOANS

18 SEC. 102. (a) To assist local communities in eliminating  
19 their slums and blighted areas and in providing maximum  
20 opportunity for the redevelopment of project areas by  
21 private enterprise, the Administrator may make temporary  
22 and definitive loans to local public agencies for the under-  
23 taking of projects for the assembly, clearance, preparation,  
24 and sale and lease of land for redevelopment. Such loans  
25 (outstanding at any one time) shall be in such amounts



1 not exceeding the expenditures to be made by the local  
2 public agency as part of the gross project cost, bear in-  
3 terest at such rate (not less than the applicable going  
4 Federal rate), be secured in such manner, and be repaid  
5 within such period (not exceeding, in the case of definitive  
6 loans, forty years from the date of the bonds evidenc-  
7 ing such loans), as may be deemed advisable by the  
8 Administrator.

9 (b) In connection with any project on land which is  
10 open or predominantly open, the Administrator may make  
11 temporary loans to municipalities or other public bodies for  
12 the provision of public buildings or facilities necessary to  
13 serve or support the new uses of land in the project area.  
14 Such temporary loans shall be in such amounts not exceeding  
15 the expenditures to be made for such purpose, bear interest  
16 at such rate (not less than the applicable going Federal  
17 rate), be secured in such manner, and be repaid within such  
18 period (not exceeding ten years from the date of the obliga-  
19 tions evidencing such loans), as may be deemed advisable by  
20 the Administrator.

21 (c) Loans made pursuant to subsection (a) or (b)  
22 hereof may be made subject to the condition that, if at any  
23 time or times or for any period or periods during the life  
24 of the loan contract the local public agency can obtain loan  
25 funds from sources other than the Federal Govern-

1 ment at interest rates lower than provided in the loan  
2 contract, it may do so with the consent of the Admin-  
3 istrator at such times and for such periods without waiving  
4 or surrendering any rights to loan funds under the contract  
5 for the remainder of the life of such contract, and, in any  
6 such case, the Administrator is authorized to consent to a  
7 pledge by the local public agency of the loan contract,  
8 and any or all of its rights thereunder, as security for the  
9 repayment of the loan funds so obtained from other sources.

10 (d) The Administrator may make advances of funds  
11 to local public agencies for surveys and plans in prepa-  
12 ration of projects which may be assisted under this title, and  
13 the contracts for such advances of funds may be made  
14 upon the condition that such advances of funds shall  
15 be repaid, with interest at not less than the applicable going  
16 Federal rate, out of any moneys which become available  
17 to such agency for the undertaking of the project or projects  
18 involved.

19 (e) To obtain funds for loans under this title, the  
20 Administrator, on and after July 1, 1949, may, with the  
21 approval of the President, issue and have outstanding at  
22 any one time notes and obligations for purchase by the Sec-  
23 retary of the Treasury in an amount not to exceed \$25,-  
24 000,000, which limit on such outstanding amount shall be  
25 increased by \$225,000,000 on July 1, 1950, and by further



1 amounts of \$250,000,000 on July 1 in each of the years  
2 1951, 1952, and 1953, respectively: *Provided*, That (sub-  
3 ject to the total authorization of not to exceed \$1,000,-  
4 000,000) such limit, and any such authorized increase  
5 therein, may be increased, at any time or times, by ~~not to~~  
6 ~~exceed in any fiscal year an additional~~ *additional amounts*  
7 *aggregating not more than* \$250,000,000 upon a determina-  
8 tion by the President, after receiving advice from the  
9 Council of Economic Advisers as to the general effect of  
10 such increase upon the conditions in the building industry  
11 and upon the national economy, that such action is in the  
12 public interest.

13 (f) Notes or other obligations issued by the Admin-  
14 istrator under this title shall be in such forms and denom-  
15 inations, have such maturities, and be subject to such terms  
16 and conditions as may be prescribed by the Administrator,  
17 with the approval of the Secretary of the Treasury. Such  
18 notes or other obligations shall bear interest at a rate de-  
19 termined by the Secretary of the Treasury, taking into  
20 consideration the current average rate on outstanding mar-  
21 ketable obligations of the United States as of the last day  
22 of the month preceding the issuance of such notes or other  
23 obligations. The Secretary of the Treasury is authorized  
24 and directed to purchase any notes and other obligations  
25 of the Administrator issued under this title and for such

1 purpose is authorized to use as a public debt transaction the  
2 proceeds from the sale of any securities issued under the  
3 Second Liberty Bond Act, as amended, and the purposes  
4 for which securities may be issued under such Act, as  
5 amended, are extended to include any purchases of such  
6 notes and other obligations. The Secretary of the Treas-  
7 ury may at any time sell any of the notes or other obli-  
8 gations acquired by him under this section. All redemp-  
9 tions, purchases, and sales by the Secretary of the Treasury  
10 of such notes or other obligations shall be treated as pub-  
11 lic debt transactions of the United States.

12 (g) Obligations, including interest thereon, issued by  
13 local public agencies for projects assisted pursuant to this  
14 title, and income derived by such agencies from such projects,  
15 shall be exempt from all taxation now or hereafter imposed  
16 by the United States.

17 CAPITAL GRANTS

18 SEC. 103. (a) The Administrator may make capital  
19 grants to local public agencies to enable such agencies to  
20 make land in project areas available for redevelopment at  
21 its fair value for the uses specified in the redevelopment  
22 plans: *Provided*, That the Administrator shall not make any  
23 contract for capital grant with respect to a project which  
24 consists of open unplatted urban or suburban land. The



1 aggregate of such capital grants with respect to all the  
2 projects of a local public agency on which contracts for  
3 capital grants have been made under this title shall not  
4 exceed two-thirds of the aggregate of the net project costs  
5 of such projects, and the capital grants with respect to any  
6 individual project shall not exceed the difference between  
7 the net project cost and the local grants-in-aid actually made  
8 with respect to the project.

9 (b) The Administrator, on and after July 1, 1949,  
10 may, with the approval of the President, contract to make  
11 capital grants, with respect to projects assisted under this  
12 title, aggregating not to exceed \$100,000,000, which limit  
13 shall be increased by further amounts of \$100,000,000 on  
14 July 1 in each of the years 1950, 1951, 1952, and 1953,  
15 respectively: *Provided*, That (subject to the total authoriza-  
16 tion of not to exceed \$500,000,000) such limit, and any such  
17 authorized increase therein, may be increased, at any time  
18 or times, by ~~not to exceed in any fiscal year an additional~~  
19 *additional amounts aggregating not more than* \$100,000,000  
20 upon a determination by the President, after receiving  
21 advice from the Council of Economic Advisers as to the  
22 general effect of such increase upon the conditions in the  
23 building industry and upon the national economy, that  
24 such action is in the public interest. The faith of the United  
25 States is solemnly pledged to the payment of all capital

1 grants contracted for under this title, and there are hereby  
2 authorized to be appropriated, out of any money in the Treas-  
3 ury not otherwise appropriated, the amounts necessary to  
4 provide for such payments.

5           REQUIREMENTS FOR LOCAL GRANTS-IN-AID

6       SEC. 104. Every contract for capital grant under this  
7 title shall require local grants-in-aid in connection with the  
8 project involved which, together with the local grants-in-aid  
9 to be provided in connection with all other projects of the  
10 local public agency on which contracts for capital grants  
11 have theretofore been made, will be at least equal to one-  
12 third of the aggregate net project costs involved (it being  
13 the purpose of this provision and section 103 to limit the  
14 aggregate of the capital grants made by the Administrator  
15 with respect to all the projects of a local public agency on  
16 which contracts for capital grants have been made under  
17 this title to an amount not exceeding two-thirds of the dif-  
18 ference between the aggregate of the gross project costs of  
19 all such projects and the aggregate of the total sales prices  
20 and capital values referred to in section 110 (f) of land in  
21 such projects).

22           LOCAL DETERMINATIONS

23       SEC. 105. Contracts for financial aid shall be made only  
24 with a duly authorized local public agency and shall require  
25 that—



1           (a) The redevelopment plan for the project area  
2       be approved by the governing body of the locality  
3       in which the project is situated, and that such approval  
4       include findings by the governing body that (i) the  
5       financial aid to be provided in the contract is necessary  
6       to enable the land in the project area to be redeveloped  
7       in accordance with the redevelopment plan; (ii) the  
8       redevelopment plans for the redevelopment areas in the  
9       locality will afford maximum opportunity, consistent  
10      with the sound needs of the locality as a whole, for the  
11      redevelopment of such areas by private enterprise; and  
12      (iii) the redevelopment plan conforms to a general  
13      plan for the development of the locality as a whole;

14           (b) When land acquired or held by the local public  
15      agency in connection with the project is sold or leased,  
16      the purchasers or lessees shall be obligated (i) to devote  
17      such land to the uses specified in the redevelopment plan  
18      for the project area; (ii) to begin the building of their  
19      improvements on such land within a reasonable time;  
20      and (iii) to comply with such other conditions as the  
21      Administrator finds, prior to the execution of the con-  
22      tract for loan or capital grant pursuant to this title, are  
23      necessary to carry out the purposes of this title;

24           (c) There be a feasible method for the temporary  
25      relocation of families displaced from the project area,

1 and that there are or are being provided, in the project  
2 area or in other areas not generally less desirable in  
3 regard to public utilities and public and commercial  
4 facilities and at rents or prices within the financial  
5 means of the families displaced from the project area,  
6 decent, safe, and sanitary dwellings equal in number to  
7 the number of and available to such displaced families  
8 and reasonably accessible to their places of employment:

9 *Provided*, That in view of the existing acute housing  
10 shortage, each such contract entered into prior to July  
11 1, 1951, shall further provide that there shall be no  
12 demolition of residential structures in connection with  
13 the project assisted under the contract prior to July 1,  
14 1951, if the local governing body determines that the  
15 demolition thereof would reasonably be expected to  
16 create undue housing hardship in the locality.

17 GENERAL PROVISIONS

18 SEC. 106. (a) In the performance of, and with respect  
19 to, the functions, powers, and duties vested in him by this  
20 title, the Administrator, notwithstanding the provisions of  
21 any other law, shall—

22 (1) appoint a Director to administer the provisions  
23 of this title under the direction and supervision of the  
24 Administrator and the basic rate of compensation of such  
25 position shall be the same as the basic rate of compensa-



tion established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the

1 Administrator in connection with the performance of his  
2 functions under this title shall be available for any of the  
3 purposes of this title (except for capital grants pursuant to  
4 section 103 hereof), and all funds available for carrying out  
5 the functions of the Administrator under this title (including  
6 appropriations therefor, which are hereby authorized), shall  
7 be available, in such amounts as may from year to year be  
8 authorized by the Congress, for the administrative expenses  
9 of the Administrator in connection with the performance of  
10 such functions.

11 (c) In the performance of, and with respect to, the  
12 functions, powers, and duties vested in him by this title, the  
13 Administrator, notwithstanding the provisions of any other  
14 law, may—

15 (1) sue and be sued;

16 (2) foreclose on any property or commence any  
17 action to protect or enforce any right conferred upon him  
18 by any law, contract, or other agreement, and bid for  
19 and purchase at any foreclosure or any other sale any  
20 project or part thereof in connection with which he has  
21 made a loan or capital grant pursuant to this title. In  
22 the event of any such acquisition, the Administrator  
23 may, notwithstanding any other provision of law relating  
24 to the acquisition, handling, or disposal of real property  
25 by the United States, complete, administer, dispose of,



1 and otherwise deal with, such project or part thereof:  
2 *Provided*, That any such acquisition of real property  
3 shall not deprive any State or political subdivision  
4 thereof of its civil jurisdiction in and over such property  
5 or impair the civil rights under the State or local laws  
6 of the inhabitants on such property;

7 (3) enter into agreements to pay annual sums in  
8 lieu of taxes to any State or local taxing authority with  
9 respect to any real property so acquired or owned, and  
10 such sums shall approximate the taxes which would be  
11 paid upon such property to the State or local taxing  
12 authority, as the case may be, if such property were  
13 not exempt from taxation;

14 (4) sell or exchange at public or private sale, or  
15 lease, real or personal property, and sell or exchange any  
16 securities or obligations, upon such terms as he may fix;

17 (5) obtain insurance against loss in connection with  
18 property and other assets held;

19 (6) subject to the specific limitations in this title,  
20 consent to the modification, with respect to rate of inter-  
21 est, time of payment of any installment of principal  
22 or interest, security, amount of capital grant, or any  
23 other term, of any contract or agreement to which he is  
24 a party or which has been transferred to him pursuant  
25 to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, *as amended*, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan



1 shall be made therefor by the public housing agency under-  
2 taking the housing project, and such amount shall be included  
3 as part of the development cost of the low-rent housing  
4 project.

5                   SURPLUS FEDERAL REAL PROPERTY

6       SEC. 108. The President may at any time in his dis-  
7 cretion, transfer, or cause to be transferred, to the Admin-  
8 istrator any right, title, or interest held by the Federal  
9 Government or any department or agency thereof in any  
10 land (including buildings thereon) which is surplus to the  
11 needs of the Government and which a local public agency  
12 certifies will be within the area of a project being planned  
13 by it. When such land is sold to the local public agency by  
14 the Administrator, it shall be sold at a price equal to its  
15 fair market value, and the proceeds from such sale shall be  
16 covered into the Treasury as miscellaneous receipts.

17                   PROTECTION OF LABOR STANDARDS

18       SEC. 109. In order to protect labor standards—

19           (a) Any contract for financial aid pursuant to  
20 this title shall contain a provision requiring that not less  
21 than the wages or fees prevailing in the locality, as deter-  
22 mined or adopted (subsequent to a determination under  
23 applicable State or local law) by the Administrator,  
24 shall be paid to all architects, technical engineers, drafts-

1 men, technicians, laborers, and mechanics employed in  
2 the development of the project involved; and the Admin-  
3 istrator may require certification as to compliance with  
4 the provisions of this paragraph prior to making any  
5 payment under such contract;

6 (b) The provisions of sections 1 and 2 of the  
7 ~~Act of June 13, 1934 (U. S. C., title 40, secs. 276b~~  
8 ~~and 276e)~~ *title 18 U. S. C., section 874, and of title 40*  
9 *U. S. C., section 276c*, shall apply to any project financed  
10 in whole or in part with funds made available pursuant to  
11 this title;

12 (c) Any contractor engaged on any project fi-  
13 nanced in whole or in part with funds made available  
14 pursuant to this title shall report monthly to the Secre-  
15 tary of Labor, and shall cause all subcontractors to report  
16 in like manner, within five days after the close of each  
17 month and on forms to be furnished by the United States  
18 Department of Labor, as to the number of persons on  
19 their respective pay rolls on the particular project, the  
20 aggregate amount of such pay rolls, the total man-hours  
21 worked, and itemized expenditures for materials. Any  
22 such contractor shall furnish to the Department of Labor  
23 the names and addresses of all subcontractors on the  
24 work at the earliest date practicable.



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## DEFINITIONS

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SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed

1 or redeveloped for predominantly residential uses, or (iii)  
2 ~~platted urban or suburban~~ land which is predominantly open  
3 and which because of obsolete platting, diversity of owner-  
4 ship, deterioration of structures or of site improvements, or  
5 otherwise substantially impairs or arrests the sound growth  
6 of the community and which is to be developed for predomi-  
7 nantly residential uses, or (iv) open ~~unplatted urban or~~  
8 ~~suburban~~ land necessary for sound community growth which  
9 is to be developed for predominantly residential uses (in  
10 which event the project thereon, as provided in the proviso  
11 of section 103 (a) hereof, shall not be eligible for any capi-  
12 tal grant); (2) demolition and removal of buildings and  
13 improvements; (3) installation, construction, or reconstruc-  
14 tion of streets, utilities, and other site improvements  
15 essential to the preparation of sites for uses in accordance  
16 with the redevelopment plan; and (4) making the land  
17 available for development or redevelopment by private  
18 enterprise or public agencies (including sale, initial leasing,  
19 or retention by the local public agency itself) at its fair value  
20 for uses in accordance with the redevelopment plan. For the  
21 purposes of this title, the term "project" shall not include the  
22 construction of any of the buildings contemplated by the  
23 redevelopment plan, and the term "redevelopment" and  
24 derivatives thereof shall mean develop as well as redevelop.  
25 For any of the purposes of section 109 hereof, the term



1 "project" shall not include any donations or provisions made  
2 as local grants-in-aid and eligible as such pursuant to clauses  
3 (2) and (3) of section 110 (d) hereof.

4 (d) "Local grants-in-aid" shall mean assistance by a  
5 State, municipality, or other public body, or any other entity,  
6 in connection with any project on which a contract for capital  
7 grant has been made under this title, in the form of (1) cash  
8 grants; (2) donations, at cash value, of land (exclusive of  
9 land in streets, alleys, and other public rights-of-way which  
10 may be vacated in connection with the project), and demo-  
11 lition or removal work, or site improvements in the project  
12 area, at their cost; and (3) the provision, at their cost, of  
13 parks, playgrounds, and public buildings or facilities (other  
14 than low-rent public housing) which are primarily of direct  
15 benefit to the project and which are necessary to serve or  
16 support the new uses of land in the project area in accord-  
17 ance with the redevelopment plan: *Provided*, That, in any  
18 case where, in the determination of the Administrator, any  
19 park, playground, public building, or facility is of direct and  
20 substantial benefit both to the project and to other areas,  
21 the Administrator shall provide that, for the purpose of com-  
22 puting the amount of the local grants-in-aid for such project,  
23 there shall be included an allowance of an appropriate por-  
24 tion ( as determined by the Administrator) of the cost of such  
25 park, playground, public building, or facility. No demolition

1 or removal work, improvement, or facility for which a State,  
2 municipality, or other public body has received or has con-  
3 tracted to receive any grant or subsidy from the United  
4 States, or any agency or instrumentality thereof, for such  
5 work, or the construction of such improvement or facility,  
6 shall be eligible for inclusion as a local grant-in-aid in con-  
7 nection with a project or projects assisted under this title.

8 (e) "Gross project cost" shall comprise (1) the amount  
9 of the expenditures by the local public agency with respect  
10 to any and all undertakings necessary to carry out the  
11 project (including the payment of carrying charges, but  
12 not beyond the point where the project is completed), and  
13 (2) the amount of such local grants-in-aid as are furnished  
14 in forms other than cash.

15 (f) "Net project cost" shall mean the difference be-  
16 tween the gross project cost and the aggregate of (1) the  
17 total sales prices of all land sold, and (2) the total capital  
18 values (i) imputed, on a basis approved by the Adminis-  
19 trator, to all land leased, and (ii) used as a basis for deter-  
20 mining the amounts to be transferred to the project from  
21 other funds of the local public agency to compensate for any  
22 land retained by it for use in accordance with the redevelop-  
23 ment plan.

24 (g) "Going Federal rate" means the annual rate of  
25 interest (or, if there shall be two or more such rates of in-



terest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

## TITLE II—LOW-RENT PUBLIC HOUSING

### LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY

#### ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local deter-

1 mination of the need for low-rent housing to meet needs  
2 not being adequately met by private enterprise—

3 “(a) the Authority shall not make any contract  
4 with a public housing agency for preliminary loans (all  
5 of which shall be repaid out of any moneys which be-  
6 come available to such agency for the development of  
7 the projects involved) for surveys and planning in  
8 respect to any low-rent housing projects initiated after  
9 March 1, 1949, (i) unless the governing body of the  
10 locality involved has by resolution approved the appli-  
11 cation of the public housing agency for such preliminary  
12 loan; and (ii) unless the public housing agency has  
13 demonstrated to the satisfaction of the Authority that  
14 there is a need for such low-rent housing which is not  
15 being met by private enterprise; and

16 “(b) the Authority shall not make any contract for  
17 loans (other than preliminary loans) or for annual con-  
18 tributions pursuant to this Act with respect to any low-  
19 rent housing project initiated after March 1, 1949, (i)  
20 unless the governing body of the locality involved has  
21 entered into an agreement with the public housing agency  
22 providing for the local cooperation required by the  
23 Authority pursuant to this Act; and (ii) unless the



1 public housing agency has demonstrated to the satisfac-  
2 tion of the Authority that a gap of at least 20 per centum  
3 has been left between the upper rental limits for admis-  
4 sion to the proposed low-rent housing and the lowest  
5 rents at which private enterprise unaided by public  
6 subsidy is providing (through new construction and  
7 available existing structures) a substantial supply of  
8 decent, safe, and sanitary housing toward meeting the  
9 need of an adequate volume thereof.

10 “(8) Every contract made pursuant to this Act for  
11 annual contributions for any low-rent housing project initi-  
12 ated after March 1, 1949, shall provide that—

13 “(a) the public housing agency shall fix maximum  
14 income limits for the admission and for the continued  
15 occupancy of families in such housing, that such maxi-  
16 mum income limits and all revisions thereof shall be  
17 subject to the prior approval of the Authority, and that  
18 the Authority may require the public housing agency  
19 to review and to revise such maximum income limits if  
20 the Authority determines that changed conditions in the  
21 locality make such revisions necessary in achieving the  
22 purposes of this Act;

23 “(b) a duly authorized official of the public housing  
24 agency involved shall make periodic written statements  
25 to the Authority that an investigation has been made

1 of each family admitted to the low-rent housing project  
2 involved during the period covered thereby, and that,  
3 on the basis of the report of said investigation, he has  
4 found that each such family at the time of its admission  
5 (i) had a net family income not exceeding the maximum  
6 income limits theretofore fixed by the public housing  
7 agency (and approved by the Authority) for admis-  
8 sion of families of low income to such housing; and  
9 (ii) lived in an unsafe, insanitary, or overcrowded  
10 dwelling, or was to be displaced by another low-rent  
11 housing project or by a public slum-clearance or rede-  
12 velopment project, or actually was without housing,  
13 or was about to be without housing as a result  
14 of a court order of eviction, due to causes other  
15 than the fault of the tenant: *Provided*, That the re-  
16 quirement in (ii) shall not be applicable in the case  
17 of the family of any veteran or serviceman (or of any  
18 deceased veteran or serviceman) where application for  
19 admission to such housing is made not later than five  
20 years after March 1, 1949;

21 “(c) in the selection of tenants (i) the public  
22 housing agency shall not discriminate against families,  
23 otherwise eligible for admission to such housing, because  
24 their incomes are derived in whole or in part from public  
25 assistance and (ii) in initially selecting families for



admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing need ~~needs~~, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

“(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.”

#### VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

“(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project ~~initiated~~ ~~ated~~ after March 1, 1949, shall require that the public housing agency, as among low-income families which are

1 eligible applicants for occupancy in dwellings of given sizes  
 2 and at specified rents, shall extend the following preferences  
 3 in the selection of tenants:

4       “First, to families which are to be displaced by any  
 5 low-rent housing project or by any public slum-clearance  
 6 or redevelopment project *initiated after the date of enact-*  
 7 *ment of the Housing Act of 1949*, or which were so dis-  
 8 placed within three years prior to making application to  
 9 such public housing agency for admission to any low-  
 10 rent housing; and as among such families where an ap-  
 11 plication for admission is made not later than five years  
 12 after March 1, 1949, first preference shall be given to  
 13 families of disabled veterans whose disability has been  
 14 determined by the Veterans' Administration to be serv-  
 15 ice-connected, and second preference shall be given to  
 16 families of other veterans and servicemen ~~(including~~  
 17 ~~families of deceased veterans or servicemen)~~ *families*  
 18 *of deceased veterans and servicemen whose death has*  
 19 *been determined by the Veterans' Administration to be*  
 20 *service-connected, and third preference shall be given to*  
 21 *families of other veterans and servicemen;*

22       “Second, to families of other veterans and service-  
 23 men ~~(including families of deceased veterans or service-~~  
 24 ~~men)~~ where an application for admission is made not  
 25 later than five years after March 1, 1949; and as among



1 such families first preference shall be given to families of  
2 disabled veterans whose disability has been determined  
3 by the Veterans' Administration to be service-  
4 connected, *and second preference shall be given to*  
5 *families of deceased veterans and servicemen whose death*  
6 *has been determined by the Veterans' Administration to*  
7 *be service-connected."*

8 (b) By adding the following new subsection to section 2:

9 "(14) The term 'veteran' shall mean a person who has  
10 served in the active military or naval service of the United  
11 States at any time on or after September 16, 1940, and  
12 prior to July 26, 1947, and who shall have been discharged  
13 or released therefrom under conditions other than dishonor-  
14 able. The term 'serviceman' shall mean a person in the  
15 active military or naval service of the United States who  
16 has served therein on or after September 16, 1940, and  
17 prior to July 26, 1947."

#### 18 COST LIMITS

19 SEC. 203. Subsection 15 (5) of the United States  
20 Housing Act of 1937, as amended, is hereby amended to  
21 read as follows:

22 "~~(5) No contract for any loan, annual contribution,~~  
23 ~~or capital grant made pursuant to this Act shall be entered~~  
24 ~~into by the Authority with respect to any low-rent housing~~  
25 ~~project completed after January 1, 1948, having a cost for~~

1 construction and equipment of more than \$1,750 per room  
2 (excluding land, demolition, and nondwelling facilities);  
3 except that in the case of Alaska any such contract may be  
4 entered into with respect to a project having a cost for con-  
5 struction and equipment of not to exceed \$2,500 per room  
6 (excluding land, demolition, and nondwelling facilities)  
7 *Every contract made pursuant to this Act for loans (other*  
8 *than preliminary loans), annual contributions, or capital grants*  
9 *for any low-rent housing project completed after January 1,*  
10 *1948, shall provide that the cost for construction and equip-*  
11 *ment of such project (excluding land, demolition, and non-*  
12 *dwelling facilities) shall not exceed \$1,750 per room (\$2,500*  
13 *per room in the case of Alaska): Provided, That if the Ad-*  
14 *ministrators find that in the geographical area of any project*  
15 *(i) it is not feasible under the aforesaid cost limitations to*  
16 *construct the project without sacrifice of sound standards of*  
17 *construction, design, and livability, and (ii) there is an acute*  
18 *need for such housing, he may prescribe in such contract cost*  
19 *limitations which may exceed by not more than \$750 per*  
20 *room the limitations that would otherwise be applicable to*  
21 *such project hereunder. The Authority shall make loans,*  
22 *grants, and annual contributions only for such low-rent hous-*  
23 *ing projects as it finds are to be undertaken in such a manner*  
24 *that such projects* *Every contract made pursuant to this Act*  
25 *for loans (other than preliminary loans), annual contribu-*



1 tions, or capital grants with respect to any low-rent housing  
 2 project initiated after March 1, 1949, shall provide that such  
 3 project shall be undertaken in such a manner that it will not  
 4 be of elaborate or extravagant design or materials, and econ-  
 5 omy will be promoted both in construction and administration.  
 6 In order to attain the foregoing objective, ~~every contract for~~  
 7 ~~financial assistance entered into with respect to any low-rent~~  
 8 ~~housing project initiated after March 1, 1949, every such~~  
 9 ~~contract~~ shall provide that no award of the main construction  
 10 contract for such project shall be made unless the Authority,  
 11 taking into account the level of construction costs prevailing  
 12 in the locality where such project is to be located, shall have  
 13 specifically approved the amount of such main construction  
 14 contract."

#### 15 PRIVATE FINANCING

16 SEC. 204. In order to stimulate increasing private  
 17 financing of low-rent housing projects, the United States  
 18 Housing Act of 1937, as amended, is hereby amended as  
 19 follows:

20 (a) The last proviso of subsection (b) of section 10 is  
 21 repealed, and subsection (f) of said section is amended to  
 22 read as follows:

23 "(f) Payments under annual contributions contracts  
 24 shall, *if the Authority so requires*, be pledged as security  
 25 for any loans obtained by a public housing agency to assist

1 the development or acquisition of the housing project to  
2 which the annual contributions relate.”;

3 (b) The following is added after section 21:

4 “PRIVATE FINANCING

5 “SEC. 22. To facilitate the enlistment of private capital  
6 through the sale by public housing agencies of their bonds  
7 and other obligations to others than the Authority, in financ-  
8 ing low-rent housing projects, and to maintain the low-rent  
9 character of housing projects—

10 “(a) Every contract for annual contributions (includ-  
11 ing contracts which amend or supersede contracts previously  
12 made) may provide that—

13 “(1) upon the occurrence of a substantial default  
14 in respect to the covenants or conditions to which the  
15 public housing agency is subject (as such substantial  
16 default shall be defined in such contract), the public  
17 housing agency shall be obligated at the option of the  
18 Authority, either to convey title in any case where, in  
19 the determination of the Authority (which determina-  
20 tion shall be final and conclusive), such conveyance of  
21 title is necessary to achieve the purposes of this Act, or  
22 to deliver possession to the Authority of the project, as  
23 then constituted, to which such contract relates;

24 “(2) the Authority shall be obligated to reconvey or



1 to redeliver possession of the project, as constituted at the  
2 time of reconveyance or redelivery, to such public hous-  
3 ing agency or to its successor (if such public housing  
4 agency or a successor exists) upon such terms as shall  
5 be prescribed in such contract and as soon as practicable:  
6 (i) after the Authority shall be satisfied that all defaults  
7 with respect to the project have been cured, and that the  
8 project will, in order to fulfill the purposes of this Act,  
9 thereafter be operated in accordance with the terms of  
10 such contract; or (ii) after the termination of the obli-  
11 gation to make annual contributions available unless  
12 there are any obligations or covenants of the public hous-  
13 ing agency to the Authority which are then in default.  
14 Any prior conveyances and reconveyances, deliveries  
15 and redeliveries of possession shall not exhaust the right  
16 to require a conveyance or delivery of possession of the  
17 project to the Authority pursuant to subparagraph (1),  
18 upon the subsequent occurrence of a substantial default.  
19 “(b) Whenever such contract for annual contributions  
20 shall include provisions which the Authority, in said con-  
21 tract, determines are in accordance with subsection (a)  
22 hereof, and the annual contributions, pursuant to such con-  
23 tract, have been pledged by the public housing agency as  
24 security for the payment of the principal and interest on  
25 any of its obligations, the Authority (notwithstanding any

1 other provisions of this Act) shall continue to make annual  
2 contributions available for the project so long as any of  
3 such obligations remain outstanding, and may covenant in  
4 such contract (in lieu of the provision required by the first  
5 sentence of subsection 15 (3) of this Act *and notwithstanding*  
6 *any other provisions of law*) that in any event  
7 such annual contributions shall in each year be at least equal  
8 to an amount which, together with such income or other  
9 funds as are actually available from the project for the pur-  
10 pose at the time such annual contribution is made, will suffice  
11 for the payment of all installments, falling due within the  
12 next succeeding twelve months, of principal and interest on  
13 the obligations for which the annual contributions provided  
14 for in the contract shall have been pledged as security:  
15 *Provided, That such annual contributions shall not be in*  
16 *excess of the maximum sum determined pursuant to the*  
17 *provisions of this Act first proviso of subsection 10 (b),*  
18 *or, where applicable, the second proviso of subsection*  
19 *10 (c); and in no case shall such annual contributions be*  
20 *in excess of the maximum sum specified in the contract*  
21 *involved, nor for longer than the remainder of the maxi-*  
22 *mum period fixed by the contract.”;*

23 (c) In the fourth sentence of section 9 the words “going  
24 Federal rate at the time the loan is made,” are deleted; in  
25 the first proviso of subsection 10 (b) the words “going



1 Federal rate of interest at the time such contract is made”  
2 are deleted; and in lieu thereof in each case there are sub-  
3 stituted the words “applicable going Federal rate”; and  
4 subsection 2 (10) is amended to read as follows:

5 “(10) The term ‘going Federal rate’ means the annual  
6 rate of interest (or, if there shall be two or more such rates  
7 of interest, the highest thereof) specified in the most recently  
8 issued bonds of the Federal Government having a maturity  
9 of ten years or more, determined, in the case of loans or  
10 annual contributions, respectively, at the date of Presidential  
11 approval of the contract pursuant to which such loans or  
12 contributions are made: *Provided*, That for the purposes  
13 of this Act, the going Federal rate shall be deemed to be  
14 not less than  $2\frac{1}{2}$  per centum.”;

15 (d) Section 9 is amended by striking out the period  
16 at the end of said section and adding a colon and the follow-  
17 ing: “*Provided*, That in the case of projects initiated after  
18 March 1, 1949, with respect to which annual contributions  
19 are contracted for pursuant to this Act, loans shall not be  
20 made for a period exceeding forty years from the date of  
21 the bonds evidencing the loan: *And provided further*, That,  
22 in the case of such projects or any other projects with re-  
23 spect to which the contracts (including contracts which  
24 amend or supersede contracts previously made) provide for

1 loans for a period not exceeding forty years from the date  
2 of the bonds evidencing the loan and for annual contribu-  
3 tions for a period not exceeding forty years from the date  
4 the first annual contribution for the project is paid, such  
5 loans shall bear interest at a rate not less than the applicable  
6 going Federal rate.”;

7 (e) Subsection 10 (c) is amended by striking out the  
8 period at the end of the last sentence and adding a colon  
9 and the following: “*Provided, That, in the case of projects*  
10 *initiated after March 1, 1949, contracts for annual con-*  
11 *tributions shall not be made for a period exceeding forty*  
12 *years from the date the first annual contribution for the*  
13 *project is paid: And provided further, That, in the case of*  
14 *such projects or any other projects with respect to which*  
15 *the contracts for annual contributions (including contracts*  
16 *which amend or supersede contracts previously made) pro-*  
17 *vide for annual contributions for a period not exceeding forty*  
18 *years from the date the first annual contribution for the*  
19 *project is paid, the fixed contribution may exceed the amount*  
20 *provided in the first proviso of subsection (b) of this sec-*  
21 *tion by 1 per centum of development or acquisition cost.”;*

22 (f) The first sentence of subsection 10 (c) is amended  
23 to read as follows: “Every contract for annual contribu-  
24 tions shall provide that whenever in any year the receipts  
25 of a public housing agency in connection with a low-rent



1 housing project exceed its expenditures (including debt serv-  
 2 ice, administration, maintenance, establishment of reserves,  
 3 and other costs and charges), an amount equal to such ex-  
 4 cess shall be applied, or set aside for application, to purposes  
 5 which, in the determination of the Authority, will effect a  
 6 reduction in the amount of subsequent annual contributions.”;

7 (g) Section 14 is amended by inserting the following  
 8 after the first sentence: “When the Authority finds that it  
 9 would promote economy or be in the financial interest of the  
 10 Federal Government, any contract heretofore or hereafter  
 11 made for annual contributions, loans, or both, may, with  
 12 Presidential approval, be amended or superseded by a con-  
 13 tract of the Authority so that the going Federal rate on the  
 14 basis of which such annual contributions or interest rate on  
 15 the loans, or both, respectively, are fixed shall mean the  
 16 going Federal rate, as herein defined, on the date of Presi-  
 17 dential approval of such amending or superseding contract:  
 18 *Provided*, That contracts may not be amended or superseded  
 19 in a manner which would impair the rights of the holders of  
 20 any outstanding obligations of the public housing agency in-  
 21 volved for which annual contributions have been pledged.”;

22 (h) Section 20 is amended to read as follows:

23 “SEC. 20. The Authority may issue and have outstand-  
 24 ing at any one time notes and other obligations for purchase  
 25 by the Secretary of the Treasury in an amount not to exceed

1 \$1,500,000,000. Such notes or other obligations shall be  
2 in such forms and denominations, shall have such maturities,  
3 and shall be subject to such terms and conditions as may be  
4 prescribed by the Authority with the approval of the Secre-  
5 tary of the Treasury. Such notes or other obligations shall  
6 bear interest at a rate determined by the Secretary of the  
7 Treasury, taking into consideration the current average rate  
8 on outstanding marketable obligations of the United States  
9 as of the last day of the month preceding the issuance of the  
10 notes or other obligations by the Authority. The Secretary  
11 of the Treasury is authorized and directed to purchase any  
12 notes or other obligations of the Authority issued hereunder  
13 and for such purpose is authorized to use as a public debt  
14 transaction the proceeds from the sale of any securities issued  
15 under the Second Liberty Bond Act, as amended, and the  
16 purposes for which securities may be issued under such Act,  
17 as amended, are extended to include any purchases of such  
18 obligations. The Secretary of the Treasury may at any time  
19 sell any of the notes or other obligations acquired by him  
20 under this section. All redemptions, purchases, and sales  
21 by the Secretary of the Treasury of such notes or other obli-  
22 gations shall be treated as public debt transactions of the  
23 United States.”;

24 (i) Subsection 2 (5) is amended to read as follows;



1       “(5) The term ‘development’ means any or all under-  
2 takings necessary for planning, land acquisition, demolition,  
3 construction, or equipment, in connection with a low-rent  
4 housing project. The term ‘development cost’ shall comprise  
5 the costs incurred by a public housing agency in such under-  
6 takings and their necessary financing (including the pay-  
7 ment of carrying charges, but not beyond the point of physi-  
8 cal completion), and in otherwise carrying out the develop-  
9 ment of such project. Construction activity in connection  
10 with a low-rent housing project may be confined to the  
11 reconstruction, remodeling, or repair of existing buildings.”;  
12 and

13       (j) The following additional subsection is added to  
14 section 15:

15       “(9) Any contract for loans or annual contributions,  
16 or both, entered into by the Authority with a public hous-  
17 ing agency, may cover one or more than one low-rent hous-  
18 ing project owned by said public housing agency; in the  
19 event such contract covers two or more projects, such proj-  
20 ects may, for any of the purposes of this Act and of such  
21 contract (including, but not limited to, the determination  
22 of the amount of the loan, annual contributions, or payments  
23 in lieu of taxes, specified in such contract), be treated collec-  
24 tively as one project.”

## ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by ~~not to exceed in any fiscal year an additional amount of~~ *additional amounts aggregating not more than* \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And*



1 *provided further*, That 10 per centum of each amount of  
2 authorization to enter into contracts for annual contributions  
3 becoming available hereunder shall, for a period of three  
4 years after such amount of authorization becomes available,  
5 be available only for annual contributions contracts with  
6 respect to projects to be located in rural nonfarm areas.  
7 With respect to projects initiated after March 1, 1949, the  
8 Authority may authorize the commencement of construction  
9 of not to exceed one hundred and fifty thousand dwelling  
10 units after July 1, 1949, which limit shall be increased by  
11 further amounts of one hundred and fifty thousand dwelling  
12 units on July 1 in each of the years 1950 through and  
13 including 1955, respectively: *Provided*, That (subject to  
14 the authorization of not to exceed one million and fifty  
15 thousand dwelling units) such limit, and any such author-  
16 ized increase therein, may be increased at any time or times  
17 by ~~not to exceed in any fiscal year an additional~~ *additional*  
18 *amounts aggregating not more than* one hundred thousand  
19 dwelling units, or may be decreased at any time or times by  
20 ~~not to exceed in any fiscal year~~ *amounts aggregating not more*  
21 *than* one hundred thousand dwelling units, upon a determina-  
22 tion by the President, after receiving advice from the Council  
23 of Economic Advisers as to the general effect of such in-  
24 crease or decrease upon conditions in the building industry  
25 and upon the national economy, that such action is in the

1 public interest: *And provided further*, That contracts for  
2 annual contributions with respect to low-rent housing pro-  
3 jects initiated after March 1, 1949, shall not provide for the  
4 ~~development~~ *commencement of construction* of more than one  
5 million and fifty thousand dwelling units without further  
6 authorization from the Congress.”; and

7 (b) By deleting the third sentence of subsection 10 (a)  
8 and adding the following new subsection to section 10:

9 “(h) Every contract made pursuant to this Act for  
10 annual contributions for any low-rent housing project  
11 initiated after March 1, 1949, shall provide that no annual  
12 contributions by the Authority shall be made available for  
13 such project unless such project is exempt from all real and  
14 personal property taxes levied or imposed by the State, city,  
15 county, or other political subdivisions, but such contract may  
16 authorize the public housing agency to make payments in  
17 lieu of such taxes in an annual amount not in excess of 10 per  
18 centum of the annual shelter rents charged in such project:  
19 *Provided*, That, with respect to any such project to be  
20 located in any State where, by reason of constitutional limi-  
21 tations or otherwise, such project is not exempt from all real  
22 and personal property taxes levied or imposed by the State,  
23 city, county, or other political subdivision, such contract may  
24 provide, in lieu of the requirement for tax exemption *and*  
25 *the authorization of payments in lieu of taxes*, that no



1 annual contributions by the Authority shall be made avail-  
2 able for such project unless and until the State, city, county,  
3 or other political subdivision in which such project is situ-  
4 ated shall contribute, in the form of cash, at least 20 per  
5 centum of the annual contributions paid by the Authority.

6 In respect to low-rent housing projects initiated prior to  
7 March 1, 1949, the Authority may, after the effective date  
8 of the Housing Act of 1949, authorize payments in lieu of  
9 taxes for each of the project fiscal years in respect to which  
10 annual ~~contributions were payable~~ *contribution dates oc-*  
11 *curred* during the two-year period ending June 30, 1949,  
12 in amounts which, together with amounts already paid, will  
13 not exceed the greater of either (i) 5 per centum of the  
14 shelter rents charged in such projects for each of such project  
15 fiscal years, or (ii) the amounts specified in the cooperation  
16 agreements in effect July 1, 1947, between the public hous-  
17 ing agencies and the political subdivisions in which the  
18 projects are located, or in the ordinances or resolutions of  
19 such political subdivisions in effect on such date. In respect  
20 to such low-rent housing projects initiated prior to March 1,  
21 1949, the contracts for annual contributions may be amended  
22 as to project fiscal years in respect to which annual ~~contribu-~~  
23 ~~tions are payable~~ *contribution dates occur* on or after July 1,  
24 1949, so as to require exemption from real and personal prop-  
25 erty taxes in lieu of any other requirements as to local con-

1 tributions and to permit payments in lieu of taxes on the terms  
2 prescribed in the first sentence of this subsection; in the event  
3 that the contracts for annual contributions are not so amended,  
4 payments in lieu of taxes in respect to such project fiscal years  
5 shall be limited to the amount specified in the cooperation  
6 agreements or ordinances or resolutions in effect July 1, 1947.”

7 SPECIAL PROVISIONS FOR LARGE FAMILIES OF  
8 LOW INCOME

9 SEC. 206. In order to enable low-rent housing to bet-  
10 ter serve the needs of large families of low income, the  
11 United States Housing Act of 1937, as amended, is hereby  
12 amended by deleting the second sentence of subsection  
13 2 (1) and substituting therefor the following: “The dwell-  
14 ings in low-rent housing as defined in this Act shall be  
15 available solely for families whose net annual income at  
16 the time of admission, less an exemption of \$100 for each  
17 minor member of the family other than the head of the  
18 family and his spouse, does not exceed five times the  
19 annual rental (including the value or cost to them of water,  
20 electricity, gas, other heating and cooking fuels, and other  
21 utilities) of the dwellings to be furnished such ~~families~~  
22 *families*. For the sole purpose of determining eligibility for  
23 continued occupancy, a public housing agency may allow,  
24 from the net income of any family, an exemption for each  
25 minor member of the family (other than the head of the



1 family and his spouse) of either (a) \$100, or (b) all or any  
 2 part of the annual income of such minor. For the purposes  
 3 of this subsection, a minor shall mean a person less than 21  
 4 years of age.”

#### 5 TECHNICAL AMENDMENTS

6 SEC. 207. The United States Housing Act of 1937, as  
 7 amended, is hereby amended as follows:

8 (a) By deleting from section 1 the words “rural or  
 9 urban communities” and by substituting therefor the words  
 10 “urban and rural nonfarm areas”;

11 (b) (1) By adding at the end of subsection 2 (11)  
 12 the following new sentence: “The Authority shall enter into  
 13 contracts for financial assistance with a State or State  
 14 agency where such State or State agency makes applica-  
 15 tion for such assistance for an eligible project which, under  
 16 the applicable laws of the State, is to be developed and  
 17 administered by such State or State agency.”; and

18 (2) By adding the following new subsection to sec-  
 19 tion 2:

20 “(15) The term ‘initiated’ when used in reference to  
 21 the date on which a project was initiated refers to the  
 22 date of the first contract for financial assistance in respect  
 23 to such project entered into by the Authority and the public  
 24 housing agency.”;

1       (c) By adding to section 6 the following new sub-  
2 section:

3       “(e) With respect to all projects under title II of  
4 Public Law 671, Seventy-sixth Congress, approved June 28,  
5 1940, references therein to the United States Housing Act  
6 of 1937, as amended, shall include all amendments to said  
7 Act made by the Housing Act of 1949 or by any other  
8 law thereafter enacted.”;

9       (d) By deleting the proviso in subsection 10 (a) and  
10 the proviso in subsection 11 (a), and in each case changing  
11 the colon preceding the word “*Provided*” to a period;

12       (e) By amending the second sentence of subsection 13  
13 (a) to read as follows: “The Authority may bid for and  
14 purchase at any foreclosure by any party or at any other  
15 sale, or (pursuant to section 22 or otherwise) acquire  
16 or take possession of any project which it previously  
17 owned or in connection with which it has made a loan,  
18 annual contribution, or capital grant; and in such event the  
19 Authority may complete, administer, pay the principal of  
20 and interest on any obligations issued in connection with  
21 such project, dispose of, and otherwise deal with, such proj-  
22 ects or parts thereof, subject, however, to the limitations  
23 elsewhere in this Act governing their administration and  
24 disposition.”;



1 (f) By amending subsection 16 (2) by inserting after  
 2 the words "contain a provision requiring that" the words  
 3 "not less than";

4 (g) By amending subsection 21 (d) to read as follows:

5 "(d) Not more than 10 per centum of the total annual  
 6 amount of \$428,000,000 provided in this Act for annual  
 7 contributions, nor more than 10 per centum of the amounts  
 8 provided for in this Act for grants, shall be expended within  
 9 any one State."; and

10 (h) By renumbering sections 22 to 30, inclusive, so  
 11 that they become sections 23 to 31, inclusive.

12 *TRANSFER AND OPERATION OF LABOR CAMPS*

13 *SEC. 208. (a) Section 2 (d) of the Farmers' Home*  
 14 *Administration Act of 1946, as amended; section 43 (f)*  
 15 *of the Bankhead-Jones Farm Tenant Act, as amended; and*  
 16 *Public Law 298, approved July 31, 1947, are repealed*  
 17 *effective as of the date of the transfer of the property and*  
 18 *funds authorized hereunder.*

19 (b) *The United States Housing Act of 1937, as*  
 20 *amended, is hereby amended as follows:*

21 (1) *By adding the following new subsection (f) to sec-*  
 22 *tion 12:*

23 "(f) *There is hereby transferred to the Authority, effec-*  
 24 *tive not later than sixty days after the effective date of the*  
 25 *Housing Act of 1949, all right, title, and interest, including*

1 contractual rights and reversionary interests, held by the  
2 Federal Government in and with respect to all labor supply  
3 centers, labor homes, labor camps, and facilities held in  
4 connection therewith and heretofore administered by the  
5 Secretary of Agriculture, for use by the Authority as low-  
6 rent housing projects in rural nonfarm areas for families  
7 and persons of low income. Such projects when so trans-  
8 ferred shall (notwithstanding any other provision of law)  
9 be low-rent housing projects subject to the provisions of this  
10 Act, except as otherwise provided in this subsection. Any  
11 or all of the accommodations in any of such projects, other  
12 than standard family dwellings as determined by the Adminis-  
13 trator (where preference shall also be given migratory farm  
14 workers and their families), may be reserved for rental to  
15 migratory agricultural workers and their families and the  
16 rents of the accommodations so reserved shall not be higher  
17 than such workers can afford. The provisions of the second  
18 and third sentences of subsection 2 (1) of this Act shall not  
19 be applicable to the occupants of accommodations other than  
20 standard family dwellings. The Authority is authorized to  
21 enter into contracts for disposal of said projects by any of  
22 the methods provided in this Act, including disposal of any  
23 such project to a public housing agency for a consideration  
24 consisting of the payment by the public housing agency to the  
25 Authority during a term of not less than twenty years of all



1 income therefrom after deduction of the amounts necessary  
2 for (i) reasonable and proper costs of management, opera-  
3 tion, maintenance, and improvement of such project, (ii)  
4 payments in lieu of taxes not in excess of 10 per centum of  
5 shelter rents, (iii) establishment and maintenance of reason-  
6 able and proper reserves, and (iv) the payment of currently  
7 maturing installments of principal and interest on any indebt-  
8 edness incurred in connection with such project by the public  
9 housing agency with the approval of the Authority. Pending  
10 sale or lease of said projects to public housing agencies, the  
11 Authority may continue present leases and permits, or may  
12 enter into new leases with public bodies or nonprofit organi-  
13 zations for the operation of such projects. Pending sale of  
14 such projects, the Authority may make any necessary improve-  
15 ments thereto and may pay any deficits incurred in their  
16 improvement and administration out of any of the funds  
17 available to it under this Act. Appropriations to reimburse  
18 the Authority for any amounts expended pursuant to this  
19 subsection, in excess of the funds transferred with such proj-  
20 ects, are hereby authorized.”;

21 (2) By inserting in subsection 12 (b) following the  
22 word “Federal” the words “low-rent housing”;

23 (3) By inserting in the first sentence of subsection 12  
24 (c) following the word “Federal” the words “low-rent  
25 housing”;

1       (4) *By deleting in subsection 12 (d) the word "project"*  
 2 *in the three places where it occurs and substituting the word*  
 3 *"projects"; and*

4       (5) *By deleting from subsection 12 (e) the word "any"*  
 5 *where it first occurs and substituting therefor the word "the",*  
 6 *and by deleting the word "project" in the two places where*  
 7 *it occurs in subsection 12 (e) and substituting the word*  
 8 *"projects".*

9       (c) *All unexpended balances of funds available for the*  
 10 *maintenance, operation, and liquidation of the properties*  
 11 *transferred hereunder and for administrative expenses in*  
 12 *connection therewith shall be transferred, upon the transfer*  
 13 *of such properties, to the Public Housing Administration to*  
 14 *be available, until expended, in accordance with the provi-*  
 15 *sions of the United States Housing Act of 1937, as amended.*

### 16           TITLE III—HOUSING RESEARCH

17       SEC. 301. Title III of Public Law 901, Eightieth  
 18 Congress, approved August 10, 1948, is hereby amended  
 19 to read as follows:

20       "SEC. 301. The Housing and Home Finance Admin-  
 21 istrator shall—

22       "(a) Undertake and conduct a program with respect  
 23 to technical research and studies concerned with the de-  
 24 velopment, demonstration, and promotion of the acceptance  
 25 and application of new and improved techniques, materials,



1 and methods which will permit progressive reductions in  
2 housing construction and maintenance costs, and stimulate  
3 the increased and sustained production of housing, and con-  
4 cerned with housing economics and other housing market  
5 data. Such program may be concerned with improved and  
6 standardized building codes and regulations and methods for  
7 the more uniform administration thereof, standardized dimen-  
8 sions and methods for the assembly of home-building mate-  
9 rials and equipment, improved residential design and con-  
10 struction, new and improved types of housing components,  
11 building materials and equipment, and methods of produc-  
12 tion, distribution, assembly, and construction, and sound  
13 techniques for the testing thereof and for the determination of  
14 adequate performance standards, and may relate to appraisal,  
15 credit, and other housing market data, housing needs, demand  
16 and supply, finance and investment, land costs, use and im-  
17 provement, site planning and utilities, zoning and other  
18 laws, codes, and regulations as they apply to housing, other  
19 factors affecting the cost of housing, and related technical  
20 and economic research. Contracts may be made by the  
21 Administrator for technical research and studies authorized  
22 by this subsection for work to continue not more than four  
23 years from the date of any such contract. Notwithstanding  
24 the provisions of section 5 of the Act of June 20, 1874, as  
25 amended (31 U. S. C. 713), any unexpended balances of

1 appropriations properly obligated by contracting with an  
2 organization as provided in this subsection may remain upon  
3 the books of the Treasury for not more than five fiscal years  
4 before being carried to the surplus fund and covered into  
5 the Treasury. All contracts made by the Administrator for  
6 technical research and studies authorized by this or any other  
7 Act shall contain requirements making the results of such  
8 research or studies available to the public through dedi-  
9 cation, assignment to the Government, or such other means  
10 as the Administrator shall determine. The Administrator  
11 shall disseminate, and without regard to the provisions of 39  
12 United States Code ~~321b~~ 321n, the results of such research  
13 and studies in such form as may be most useful to industry  
14 and to the general public.

15 “(b) Prepare and submit to the President and to the  
16 Congress estimates of national urban and rural nonfarm  
17 housing needs and reports with respect to the progress  
18 being made toward meeting such needs, and correlate and  
19 recommend proposals for such executive action or legis-  
20 lation as may be necessary or desirable for the furtherance of  
21 the national housing objective and policy established by this  
22 Act, with respect to urban and rural nonfarm housing, to-  
23 gether with such other reports or information as may be  
24 required of the Administrator by the President or the  
25 Congress.



1       “(c) Encourage localities to make studies of their own  
2 housing needs and markets, along with surveys and plans  
3 for housing, urban land use and related community develop-  
4 ment, and provide, where requested and needed by the  
5 localities, technical advice and guidance in the making of  
6 such studies, surveys, and plans. *To facilitate the cooperation*  
7 *of Federal agencies in carrying out such studies or surveys,*  
8 *such Federal agencies are hereby authorized to accept funds*  
9 *and reimburse their appropriation for the cost of such studies*  
10 *or surveys.*

11       “SEC. 302. In carrying out research and studies under  
12 this title, the Administrator shall utilize, to the fullest extent  
13 feasible, the available facilities of other departments, inde-  
14 pendent establishments, and agencies of the Federal Govern-  
15 ment, and shall consult with, and make recommendations to,  
16 such departments, independent establishments, and agencies  
17 with respect to such action as may be necessary and desirable  
18 to overcome existing gaps and deficiencies in available hous-  
19 ing data or in the facilities available for the collection  
20 of such data. The Administrator is further authorized, for  
21 the purposes of this title, to undertake research and studies  
22 cooperatively with industry and labor, and with agen-  
23 cies of State or local governments, and educational institu-  
24 tions and other nonprofit organizations. For the purpose  
25 of entering into contracts with any State or local public

1 agency or instrumentality, or educational institution or other  
2 nonprofit agency or organization, in carrying out any re-  
3 search or studies authorized by this title, the Administrator  
4 may exercise any of the powers vested in him by section 502  
5 (c) of the Housing Act of 1948.

6 "SEC. 303. There are hereby authorized to be appro-  
7 priated such sums as may be necessary to carry out the pur-  
8 poses of this title.

9 "SEC. 304. *The Administrator shall appoint a Director*  
10 *to administer the provisions of this title under the direction*  
11 *and supervision of the Administrator, and the basic rate of*  
12 *compensation of such position shall be the same as the basic*  
13 *rate of compensation established for the heads of the con-*  
14 *stituent agencies of the Housing and Home Finance Agency."*

#### 15 TITLE IV—FARM HOUSING

##### 16 FINANCIAL ASSISTANCE BY THE SECRETARY OF

##### 17 AGRICULTURE

18 SEC. 401. (a) The Secretary of Agriculture (herein-  
19 after referred to as the "Secretary") is authorized, subject  
20 to the terms and conditions of this title, to extend financial  
21 assistance, through the Farmers Home Administration, to  
22 owners of farms in the United States and in the Territories  
23 of Alaska and Hawaii and in Puerto Rico and the Virgin  
24 Islands, to enable them to construct, improve, alter, repair,  
25 or replace dwellings and other farm buildings on their farms



1 to provide them, their tenants, lessees, sharecroppers, and  
2 laborers with decent, safe, and sanitary living conditions  
3 and adequate farm buildings as specified in this title.

4 (b) For the purpose of this title, the term "farm"  
5 shall mean a parcel or parcels of land operated as a single  
6 unit which is used for the production of one or more agri-  
7 cultural commodities and which customarily produces or  
8 is capable of producing such commodities for sale and for  
9 home use of a gross annual value of not less than the  
10 equivalent of a gross annual value of \$400 in 1944, as  
11 determined by the Secretary. The Secretary shall promptly  
12 determine whether any parcel or parcels of land constitute  
13 a farm for the purposes of this title whenever requested to  
14 do so by any interested Federal, State, or local public agency,  
15 and his determination shall be conclusive.

16 (c) In order to be eligible for the assistance authorized  
17 by paragraph (a), the applicant must show (1) that he is  
18 the owner of a farm which is without a decent, safe, and  
19 sanitary dwelling for himself and his family and necessary  
20 resident farm labor, or for the family of the operating  
21 tenant, lessee, or sharecropper, or without other farm build-  
22 ings adequate for the type of farming in which he engages  
23 or desires to engage; (2) that he is without sufficient re-  
24 sources to provide the necessary housing and buildings on

1 his own account; and (3) that he is unable to secure the  
2 credit necessary for such housing and buildings from other  
3 sources upon terms and conditions which he could reason-  
4 ably be expected to fulfill.

5 LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE  
6 FARMS

7 SEC. 402. (a) If the Secretary determines that an  
8 applicant is eligible for assistance as provided in section  
9 401 and that the applicant has the ability to repay in  
10 full the sum to be loaned, with interest, giving due con-  
11 sideration to the income and earning capacity of the appli-  
12 cant and his family from the farm and other sources, and  
13 the maintenance of a reasonable standard of living for the  
14 owner and the occupants of said farm, a loan may be made  
15 by the Secretary to said applicant for a period of not to  
16 exceed thirty-three years from the making of the loan with  
17 interest at a rate not to exceed 4 per centum per annum  
18 on the unpaid balance of principal.

19 (b) The instruments under which the loan is made  
20 and the security given shall—

21 (1) provide for security upon the applicant's equity  
22 in the farm and such additional security or collateral,  
23 if any, as may be found necessary by the Secretary  
24 reasonably to assure repayment of the indebtedness;



1           (2) provide for the repayment of principal and  
2       interest in accordance with schedules and repayment  
3       plans prescribed by the Secretary;

4           (3) contain the agreement of the borrower that he  
5       will, at the request of the Secretary, proceed with dili-  
6       gence to refinance the balance of the indebtedness  
7       through cooperative or other responsible private credit  
8       sources whenever the Secretary determines, in the light  
9       of the borrower's circumstances, including his earning  
10      capacity and the income from the farm, that he is able  
11      to do so upon reasonable terms and conditions;

12          (4) be in such form and contain such covenants  
13      as the Secretary shall prescribe to secure the payment  
14      of the loan with interest, protect the security, and assure  
15      that the farm will be maintained in repair and that waste  
16      and exhaustion of the farm will be prevented.

17      LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY

18                      ADEQUATE FARMS

19      SEC. 403. If the Secretary determines (a) that, because  
20      of the inadequacy of the income of an eligible applicant from  
21      the farm to be improved and from other sources, said ap-  
22      plicant may not reasonably be expected to make annual  
23      repayments of principal and interest in an amount sufficient  
24      to repay the loan in full within the period of time prescribed  
25      by the Secretary as authorized in this title; (b) that the

1 income of the applicant may be sufficiently increased within  
2 a period of not to exceed ten years by improvement or en-  
3 largement of the farm or an adjustment of the farm practices  
4 or methods; and (c) that the applicant has adopted and may  
5 reasonably be expected to put into effect a plan of farm  
6 improvement, enlargement, or adjusted practices which, in  
7 the opinion of the Secretary, will increase the applicant's  
8 income from said farm within a period of not to exceed ten  
9 years to the extent that the applicant may be expected there-  
10 after to make annual repayments of principal and interest  
11 sufficient to repay the balance of the indebtedness less pay-  
12 ments in cash and credits for the contributions to be made  
13 by the Secretary as hereinafter provided, the Secretary may  
14 make a loan in an amount necessary to provide adequate  
15 farm dwellings and buildings on said farm under the terms  
16 and conditions prescribed in section 402. In addition, the  
17 Secretary may agree with the borrower to make annual  
18 contributions during the said ten-year period in the form of  
19 credits on the borrower's indebtedness in an amount not to  
20 exceed the annual installment of interest and 50 per centum  
21 of the principal payments accruing during any installment  
22 year up to and including the tenth installment year, subject  
23 to the conditions that the borrower's income is, in fact,  
24 insufficient to enable the borrower to make payments in  
25 accordance with the plan or schedule prescribed by the



1 Secretary and that the borrower pursues his plan of farm  
2 reorganization and improvements or enlargement with due  
3 diligence.

4 This agreement with respect to credits of principal and  
5 interest upon the borrower's indebtedness shall not be assign-  
6 able nor accrue to the benefit of any third party without the  
7 written consent of the Secretary and the Secretary shall have  
8 the right, at his option, to cancel the agreement upon the  
9 sale of the farm or the execution or creation of any lien there-  
10 on subsequent to the lien given to the Secretary, or to refuse  
11 to release the lien given to the Secretary except upon pay-  
12 ment in cash of the entire original principal plus accrued  
13 interest thereon less actual cash payments of principal and  
14 interest when the Secretary determines that the release of the  
15 lien would permit the benefits of this section to accrue to a  
16 person not eligible to receive such benefits.

17 OTHER SPECIAL LOANS AND GRANTS FOR MINOR

18 IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

19 SEC. 404. In the event the Secretary determines that an  
20 eligible applicant cannot qualify for a loan under the pro-  
21 visions of sections 402 and 403 and that repairs or improve-  
22 ments should be made to a farm dwelling occupied by him,  
23 or his tenants, lessees, sharecroppers, or laborers, in order to  
24 make such dwelling safe and sanitary and remove hazards to  
25 the health of the occupant, his family, or the community, and

1 that repairs should be made to farm buildings in order to  
2 remove hazards and make such buildings safe, the Secretary  
3 may make a grant or a combined loan and grant, to the  
4 applicant to cover the cost of improvements or additions,  
5 such as repairing roofs, providing toilet facilities, providing  
6 a convenient and sanitary water supply, supplying screens,  
7 repairing or providing structural supports, or making other  
8 similar repairs or improvements. No assistance shall be ex-  
9 tended to any one individual under the provisions of this  
10 section in the form of a loan or grant or combination thereof  
11 in excess of \$1,000 for any one farm or dwelling or building  
12 owned by such individual, or in excess of \$2,000 in the  
13 aggregate to any one such individual, and the grant portion  
14 with respect to any one farm or dwelling or building shall  
15 not exceed \$500. Any portion of the sums advanced to the  
16 borrower treated as a loan shall be secured and be repayable  
17 in accordance with the principles and conditions set forth in  
18 this title. Sums made available by grant may be made sub-  
19 ject to the conditions set out in this title for the protection of  
20 the Government with respect to contributions made on loans  
21 by the Secretary. In the case of such loan or grant with  
22 respect to a farm not occupied by the owner of the land,  
23 the Secretary may, as a condition precedent to the grant,  
24 require that the landowner enter into such stipulations and  
25 agreements with the Secretary and the occupants of the farm



1 as will make it possible for the occupant to obtain the full  
2 benefits of the grant.

3 MORATORIUM ON PAYMENTS UNDER LOANS

4 SEC. 405. During any time that any such loan is out-  
5 standing, the Secretary is authorized under regulations to be  
6 prescribed by him to grant a moratorium upon the payment  
7 of interest and principal on such loan for so long a period  
8 as he deems necessary, upon a showing by the borrower that  
9 due to circumstances beyond his control, he is unable to con-  
10 tinue making payments of such principal and interest when  
11 due without unduly impairing his standard of living. In  
12 cases of extreme hardship under the foregoing circumstances,  
13 the Secretary is further authorized to cancel interest due and  
14 payable on such loans during the moratorium. Should any  
15 foreclosure of such a mortgage securing such a loan upon  
16 which a moratorium has been granted occur, no deficiency  
17 judgment shall be taken against the mortgagor if he shall  
18 have faithfully tried to meet his obligation.

19 TECHNICAL SERVICES AND RESEARCH

20 SEC. 406. (a) In connection with financial assistance  
21 authorized in sections 401 to 404, inclusive, the Secretary  
22 shall require that all new buildings and repairs financed  
23 under this title shall be substantially constructed and in  
24 accordance with such building plans and specifications as  
25 may be required by the Secretary. Buildings and repairs

1 constructed with funds advanced pursuant to this title shall  
2 be supervised and inspected, as may be required by the Sec-  
3 retary, by competent employees of the Secretary. In addition  
4 to the financial assistance authorized in sections 401 to 404,  
5 inclusive, the Secretary is authorized to furnish, through  
6 such agencies as he may determine, to any person, including  
7 a person eligible for financial assistance under this title,  
8 without charge or at such charges as the Secretary may deter-  
9 mine, technical services such as building plans, specifications,  
10 construction supervision and inspection, and advice and  
11 information regarding farm dwellings and other buildings.  
12 The Secretary is further authorized to conduct research and  
13 technical studies including the development, demonstration,  
14 and promotion of construction of adequate farm dwellings  
15 and other buildings for the purposes of stimulating con-  
16 struction, improving the architectural design and utility  
17 of such dwellings and buildings, utilizing new and native  
18 materials, economies in materials and construction methods,  
19 new methods of production, distribution, assembly, and con-  
20 struction, with a view to reducing the cost of farm dwellings  
21 and buildings and adapting and developing fixtures and  
22 appurtenances for more efficient and economical farm use.

23 (b) The Secretary of Agriculture shall prepare and  
24 submit to the President and to the Congress estimates of  
25 national farm housing needs and reports with respect to the



1 progress being made toward meeting such needs, and corre-  
 2 late and recommend proposals for such executive action or  
 3 legislation necessary or desirable for the furtherance of the  
 4 national housing objective and policy established by this Act  
 5 with respect to farm housing, together with such other reports  
 6 or information as may be required of the Secretary by the  
 7 President or the Congress.

8 PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED  
 9 SERVICEMEN

10 SEC. 407. As between eligible applicants seeking assist-  
 11 ance under this title, the Secretary shall give preference to  
 12 veterans and the families of deceased servicemen. As used  
 13 herein, a "veteran" shall be a person who served in the land  
 14 or naval forces of the United States during any war between  
 15 the United States and any other nation and who shall have  
 16 been discharged or released therefrom on conditions other  
 17 than dishonorable. "Deceased servicemen" shall mean men  
 18 or women who served in the land or naval forces of the  
 19 United States during any war between the United States  
 20 and any other nation and who died in service before the  
 21 termination of such war.

22 LOCAL COMMITTEES TO ASSIST SECRETARY

23 SEC. 408. (a) For the purposes of this subsection and  
 24 subsection (b) of this section, the Secretary may use the  
 25 services of any existing committee of farmers operating (pur-

1 suant to laws or regulations carried out by the Department of  
2 Agriculture) in any county or parish in which activities are  
3 carried on under this title. In any county or parish in  
4 which activities are carried on under this title and in which  
5 no existing satisfactory committee is available, the Secretary  
6 is authorized to appoint a committee composed of three per-  
7 sons residing in the county or parish. Each member of  
8 such existing or newly appointed committee shall be allowed  
9 compensation at the rate of \$5 per day while engaged in the  
10 performance of duties under this title and, in addition, shall  
11 be allowed such amounts as the Secretary may prescribe for  
12 necessary traveling and subsistence expenses. One member  
13 of the committee shall be designated by the Secretary as  
14 chairman. The Secretary shall prescribe rules governing  
15 the procedures of the committees, furnish forms and equip-  
16 ment necessary for the performance of their duties, and  
17 authorize and provide for the compensation of such clerical  
18 assistance as he deems may be required by any committee.

19 (b) The committees utilized or appointed pursuant to  
20 this section shall examine applications of persons desiring  
21 to obtain the benefits of this title and shall submit recom-  
22 mendations to the Secretary with respect to each applicant  
23 as to whether the applicant is eligible to receive the benefits  
24 of this title, whether by reason of his character, ability, and  
25 experience, he is likely successfully to carry out undertakings



1           which is equal to the earning capacity value of the  
2           farm at the time of the transfer, and borrowers  
3           whose farms have been acquired by the Secretary,  
4           in cases where the Secretary determines that the  
5           original borrowers have cooperated in good faith  
6           with the Secretary, have farmed in a workman-  
7           like manner, used due diligence to maintain the  
8           security against loss, and otherwise fulfilled the  
9           covenants incident to their loans, to the best of  
10          their abilities;

11           (d) collect all claims and obligations arising out of  
12          or under any mortgage, lease, contract, or agreement  
13          entered into pursuant to this title and, if in his judgment  
14          necessary and advisable, to pursue the same to final  
15          collection in any court having jurisdiction: *Provided,*  
16          That the prosecution and defense of all litigation under  
17          this title shall be conducted under the supervision of the  
18          Attorney General and the legal representation shall be  
19          by the United States attorneys for the districts, respec-  
20          tively, in which such litigation may arise and by such  
21          other attorney or attorneys as may, under law, be  
22          designated by the Attorney General;

23           (e) bid for and purchase at any foreclosure or other  
24          sale or otherwise to acquire the property pledged or  
25          mortgaged to secure a loan or other indebtedness owing

1 under this title, to accept title to any property so pur-  
2 chased or acquired, to operate or lease such property  
3 for such period as may be necessary or advisable, to pro-  
4 tect the interest of the United States therein and to  
5 sell or otherwise dispose of the property so purchased  
6 or acquired by such terms and for such considerations  
7 as the Secretary shall determine to be reasonable and  
8 to make loans as provided herein to provide adequate  
9 farm dwellings and buildings for the purchasers of such  
10 property;

11 (f) utilize with respect to the indebtedness arising  
12 from loans and payments made under this title, all the  
13 powers and authorities given to him under the Act  
14 approved December 20, 1944, entitled "An Act to  
15 authorize the Secretary of Agriculture to compromise,  
16 adjust, or cancel certain indebtedness, and for other  
17 purposes" (58 Stat. 836), as such Act now provides or  
18 may hereafter be amended;

19 (g) make such rules and regulations as he deems  
20 necessary to carry out the purposes of this title.

#### 21 LOAN FUNDS

22 SEC. 411. The Secretary may issue notes and other ob-  
23 ligations for purchase by the Secretary of the Treasury in  
24 such sums as the Congress may from time to time determine  
25 to make loans under this title not in excess of \$25,000,000



1 on and after July 1, 1949, an additional \$50,000,000 on  
2 and after July 1, 1950, an additional \$75,000,000 on and  
3 after July 1, 1951, and an additional \$100,000,000 on and  
4 after July 1, 1952. The notes and obligations issued by the  
5 Secretary shall be secured by the obligations of borrowers  
6 and the Secretary's commitments to make contributions  
7 under this title and shall be repaid from the payment of  
8 principal and interest on the obligations of the borrowers  
9 and from funds appropriated hereunder. The notes and  
10 other obligations issued by the Secretary shall be in such  
11 forms and denominations, shall have such maturities, and  
12 shall be subject to such terms and conditions as may be  
13 prescribed by the Secretary with the approval of the Sec-  
14 retary of the Treasury. Such notes or obligations shall  
15 bear interest at a rate determined by the Secretary of  
16 the Treasury, taking into consideration the current average  
17 rate on outstanding marketable obligations of the United  
18 States as of the last day of the month preceding the  
19 issuance of the notes or obligations by the Secretary. The  
20 Secretary of the Treasury is authorized and directed to  
21 purchase any notes and other obligations of the Secre-  
22 tary issued hereunder and for such purpose is authorized  
23 to use as a public debt transaction the proceeds from the  
24 sale of any securities issued under the Second Liberty  
25 Bond Act, as amended, and the purposes for which securi-

1 ties may be issued under such Act are extended to include  
2 any purchases of such obligations. The Secretary of the  
3 Treasury may at any time sell any of the notes or obliga-  
4 tions acquired by him under this section. All redemp-  
5 tions, purchases, and sales by the Secretary of the Treasury  
6 of such notes or obligations shall be treated as public debt  
7 transactions of the United States.

#### 8 CONTRIBUTIONS

9 SEC. 412. In connection with loans made pursuant to  
10 section 403, the Secretary is authorized, on and after July  
11 1, 1949, to make commitments for contributions aggregating  
12 not to exceed \$500,000 per annum and to make additional  
13 commitments, on and after July 1 of each of the years 1950,  
14 1951, and 1952, respectively, which shall require addi-  
15 tional contributions aggregating not more than \$1,000,000,  
16 \$1,500,000, and \$2,000,000 per annum, respectively.

17 SEC. 413. There is hereby authorized to be appropriated  
18 to the Secretary (a) such sums as may be necessary to  
19 meet payments on notes or other obligations issued by the  
20 Secretary under section 411 equal to (i) the aggregate of the  
21 contributions made by the Secretary in the form of credits  
22 on principal due on loans made pursuant to section 403, and  
23 (ii) the interest due on a similar sum represented by notes  
24 or other obligations issued by the Secretary; (b) an addi-  
25 tional \$1,000,000 for grants pursuant to section 404 on and



1 after July 1, 1949, which amount shall be increased by fur-  
 2 ther amounts of \$2,500,000, \$4,000,000, and \$5,000,000  
 3 on July 1 of each of the years 1950, 1951, and 1952, re-  
 4 spectively; and (c) such further sums as may be necessary  
 5 to enable the Secretary to carry out the provisions of this title.

## 6 TITLE V—MISCELLANEOUS PROVISIONS

### 7 ADVISORY COMMITTEES

8 SEC. ~~51~~ 501. The Housing and Home Finance Adminis-  
 9 trator may appoint such advisory committee or committees  
 10 as he may deem necessary in carrying out his functions,  
 11 powers, and duties, under this or any other Act. Service as  
 12 a member of any such committee shall not constitute any  
 13 form of service or employment within the provisions of  
 14 sections 281, 283, or 284 of title 18 United States Code.

### 15 AMENDMENTS OF NATIONAL BANKING ACT

16 SEC. 502. (a) The last sentence of paragraph Seventh of  
 17 section 5136 of the Revised Statutes, as amended, is amended  
 18 by inserting before the colon, after the words "obligations  
 19 of national mortgage associations", a comma and the follow-  
 20 ing: "or such obligations of any local public agency (as  
 21 defined in section 110 (h) of the Housing Act of 1949) as  
 22 are secured by an agreement between the local public agency  
 23 and the Housing and Home Finance Administrator in which  
 24 the local public agency agrees to borrow from said Adminis-  
 25 trator, and said Administrator agrees to lend to said local

1 public agency, prior to the maturity of such obligations  
2 (which obligations shall have a maturity of not more  
3 than eighteen months), monies in an amount which  
4 (together with any other monies irrevocably committed  
5 to the payment of interest on such obligations) will  
6 suffice to pay the principal of such obligations with  
7 interest to maturity thereon, which monies under the  
8 terms of said agreement are required to be used for the  
9 purpose of paying the principal of and the interest on such  
10 obligations at their maturity, or such obligations of a public  
11 housing agency (as defined in the United States Housing  
12 Act of 1937, as amended) as are secured either (1) by an  
13 agreement between the public housing agency and the Public  
14 Housing Administration in which the public housing agency  
15 agrees to borrow from the Public Housing Administration,  
16 and the Public Housing Administration agrees to lend to the  
17 public housing agency, prior to the maturity of such obliga-  
18 tions (which obligations shall have a maturity of not more  
19 than eighteen months), ~~moneys~~ *monies* in an amount which  
20 (together with any other ~~moneys~~ *monies* irrevocably com-  
21 mitted to the payment of interest on such obligations)  
22 will suffice to pay the principal of such obligations with  
23 interest to maturity thereon, which ~~moneys~~ *monies* under  
24 the terms of said agreement are required to be used  
25 for the purpose of paying the principal of and the in-



1 terest on such obligations at their maturity, or (2) by a  
2 pledge of annual contributions under an annual contributions  
3 contract between such public housing agency and the Public  
4 Housing Administration if such contract shall contain the  
5 covenant by the Public Housing Administration which is  
6 authorized by subsection (b) of section 22 of the United  
7 States Housing Act of 1937, as amended, and if the maxi-  
8 mum sum and the maximum period specified in such con-  
9 tract pursuant to said subsection 22 (b) shall not be less  
10 than the annual amount and the period for payment which  
11 are requisite to provide for the payment when due of all in-  
12 stallments of principal and interest on such obligations”.

13 (b) Section 5200 of the Revised Statutes, as amended,  
14 is amended by adding at the end thereof the following:

15 “(11) Obligations of a local public agency (as  
16 defined in section 110 (h) of the Housing Act of 1949)  
17 or of a public housing agency (as defined in the United  
18 States Housing Act of 1937, as amended) which have  
19 a maturity of not more than eighteen months shall not  
20 be subject under this section to any limitation, if such  
21 obligations are secured by an agreement between the  
22 obligor agency and the Housing and Home Finance  
23 Administrator or the Public Housing Administration in  
24 which the agency agrees to borrow from the Admin-  
25 istrator or Administration, and the Administrator or

Administration agrees to lend to the agency, prior to the maturity of such obligations, ~~moneys~~ *monies* in an amount which (together with any other ~~moneys~~ *monies* irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which ~~moneys~~ *monies* under the terms of said agreement are required to be used for that purpose.”.

#### NATIONAL HOUSING COUNCIL

SEC. 503. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 504. (a) The second proviso in the paragraph under the heading “Federal Public Housing Authority” in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading “Public Housing Administration” in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the sub-



1 heading "Public Housing Administration" in title II of the  
2 Government Corporations Appropriation Act, 1949, is  
3 hereby repealed.

4 DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

5 SEC. 505. The Housing and Home Finance Adminis-  
6 trator shall appoint a Deputy Housing and Home Finance  
7 Administrator, and the basic rate of compensation of such  
8 position shall be the same as the basic rate of compensation  
9 established for the heads of the constituent agencies of the  
10 Housing and Home Finance Agency. The Deputy Admin-  
11 istrator shall act as Administrator during the absence or  
12 disability of the Administrator or in the event of a vacancy  
13 in that office, and shall perform such other duties as the  
14 Administrator shall direct.

15 CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING  
16 PROJECTS

17 SEC. 506. Any low-rent or veterans' housing project  
18 undertaken or constructed under a program of a State or  
19 any political subdivision thereof shall be approved as a low-  
20 rent housing project under the terms of the United States  
21 Housing Act of 1937, as amended, if (a) a contract for  
22 State financial assistance for such project was entered into  
23 on or after January 1, 1948, and prior to January 1, 1950,  
24 (b) the project is or can become eligible for assistance by

1 the Public Housing Administration in the form of loans  
2 and annual contributions under the provisions of the United  
3 States Housing Act of 1937, as amended, and (c) ~~the State~~  
4 ~~or~~ the public housing agency operating the project in the  
5 State makes application to the Public Housing Administra-  
6 tion for Federal assistance for the project under the terms  
7 of the United States Housing Act of 1937, as amended:  
8 *Provided*, That loans made by the Public Housing Admin-  
9 istration for the purpose of so converting the project to a  
10 project with Federal assistance shall be deemed, for the  
11 purposes of the provisions of section 9 and other sections of  
12 the United States Housing Act of 1937, to be loans to assist  
13 the development of the project. Section 503 of the Housing  
14 Act of 1948 is hereby repealed.

15 CENSUS OF HOUSING

16 SEC. 507. (a) The Director of the Census is author-  
17 ized and directed to take a census of housing in each State,  
18 the District of Columbia, Hawaii, Puerto Rico, the Virgin  
19 Islands, and Alaska, in the year 1950 and decennially  
20 thereafter in conjunction with, at the same time, and as a  
21 part of the population inquiry of the decennial census in  
22 order to provide information concerning the number, char-  
23 acteristics (including utilities and equipment), and geo-  
24 graphical distribution of dwelling units in the United States.



1 The Director of the Census is authorized to collect such sup-  
 2 plementary statistics (either in advance of or after the taking  
 3 of such census) as are necessary to the completion thereof.

4 (b) All of the provisions, including penalties, of the  
 5 Act providing for the fifteenth and subsequent decennial  
 6 censuses, approved June 18, 1929, as amended (U. S. C.,  
 7 title 13, ch. 4), shall apply to the taking of the census  
 8 provided for in subsection (a) of this section.

9 *NATIONAL CAPITAL HOUSING AUTHORITY*

10 *SEC. 508. Notwithstanding any other provisions of law,*  
 11 *the National Capital Housing Authority is hereby authorized*  
 12 *to acquire sites for low-rent public housing projects assisted*  
 13 *under the provisions of the United States Housing Act of*  
 14 *1937, as amended.*

15 *DISTRICT OF COLUMBIA PARTICIPATION*

16 *SEC. 509. To make available to the District of Colum-*  
 17 *bia, and to authorize the appropriate agencies operating*  
 18 *therein to accept, the benefits provided by titles I and II of*  
 19 *this Act, the District of Columbia Redevelopment Act of 1945*  
 20 *is hereby amended by renumbering sections 20, 21, and 22*  
 21 *thereof as sections 21, 22, and 23, respectively, and by adding*  
 22 *after section 19 a new section to read as follows:*

23 *“SEC. 20. (a) As an alternative method of financing its*  
 24 *authorized operations and functions under the provisions of*

1 *this Act (in addition to that provided in section 16 of this*  
2 *Act), the Agency is hereby authorized and empowered to*  
3 *accept financial assistance from the Housing and Home Fi-*  
4 *nance Administrator (hereafter in this section referred to as*  
5 *the Administrator), in the form of advances of funds, loans,*  
6 *and capital grants pursuant to title I of the Housing Act of*  
7 *1949, to assist the Agency in acquiring real property for re-*  
8 *development of project areas and carrying out any functions*  
9 *authorized under this Act for which advances of funds, loans,*  
10 *or capital grants may be made to a local public agency under*  
11 *title I of the Housing Act of 1949, and the Agency, subject*  
12 *to the approval of the District Commissioners and subject*  
13 *to such terms, covenants, and conditions as may be prescribed*  
14 *by the Administrator pursuant to title I of the Housing Act*  
15 *of 1949, may enter into such contracts and agreements as may*  
16 *be necessary, convenient, or desirable for such purposes.*

17       “(b) *Subject to the approval of the District Commis-*  
18 *sioners, the Agency is authorized to accept from the Admin-*  
19 *istrator advances of funds for surveys and plans in prepara-*  
20 *tion of a project or projects authorized by this Act which*  
21 *may be assisted under title I of the Housing Act of 1949,*  
22 *and the Agency is authorized to transfer to the Planning*  
23 *Commission so much of the funds so advanced as the Dis-*  
24 *trict Commissioners shall determine to be necessary for the*



1 *Planning Commission to carry out its functions under this*  
2 *Act with respect to the project or projects to be assisted*  
3 *under title I of the Housing Act of 1949.*

4       “(c) *The District Commissioners are authorized to in-*  
5 *clude in their annual estimates of appropriations items for*  
6 *administrative expenses which, in addition to loan or other*  
7 *funds available therefor, are necessary for the Agency in*  
8 *carrying out its functions under this section.*

9       “(d) *Notwithstanding the limitation contained in the last*  
10 *sentence of section 110 (d) or in any other provision of title*  
11 *I of the Housing Act of 1949, the Administrator is author-*  
12 *ized to allow and credit to the Agency such local grants-in-aid*  
13 *as are approvable pursuant to said section 110 (d) with*  
14 *respect to any project or projects undertaken by the Agency*  
15 *under a contract or contracts entered into under this section*  
16 *and assisted under title I of the Housing Act of 1949. In*  
17 *the event such local grants-in-aid as are so allowed by the*  
18 *Administrator are not sufficient to meet the requirements for*  
19 *local grants-in-aid pursuant to title I of the Housing Act of*  
20 *1949, the District Commissioners are hereby authorized to*  
21 *enter into agreements with the Agency, upon which agree-*  
22 *ments the Administrator may rely, to make cash payments of*  
23 *such deficiencies from funds of the District of Columbia. The*  
24 *District Commissioners shall include items for such cash*

1 *payments in their annual estimates of appropriations, and*  
2 *there are hereby authorized to be appropriated, out of any*  
3 *money in the Treasury not otherwise appropriated, the*  
4 *amounts necessary to provide for such cash payments. Any*  
5 *amounts due the Administrator pursuant to any such agree-*  
6 *ments shall be paid promptly from funds appropriated for*  
7 *such purpose.*

8       “(e) *All receipts of the Agency in connection with any*  
9 *project or projects financed in accordance with this section*  
10 *with assistance under title I of the Housing Act of 1949,*  
11 *whether in the form of advances of funds, loans, or capital*  
12 *grants made by the Administrator to the Agency, or in the*  
13 *form of proceeds, rentals, or revenues derived by the Agency*  
14 *from any such project or projects, shall be deposited in the*  
15 *Treasury of the United States to the credit of a special*  
16 *fund or funds, and all moneys in such special fund or funds*  
17 *are hereby made available for carrying out the purposes*  
18 *of this Act with respect to such project or projects, including*  
19 *the payment of any advances of funds or loans, together with*  
20 *interest thereon, made by the Administrator or by private*  
21 *sources to the Agency. Expenditures from such fund shall*  
22 *be audited, disbursed, and accounted for as are other funds*  
23 *of the District of Columbia.*

24       “(f) *With respect to any project or projects undertaken*



1 by the Agency which are financed in accordance with this  
2 section with assistance under title I of the Housing Act  
3 of 1949—

4 “(1) sections 3 (f), 3 (k), and 7 (g), and the  
5 last sentence of section 6 (b) (2) of this Act shall not  
6 be applicable to those pieces of real property which, in  
7 accordance with the approved project area redevelopment  
8 ment plan, are to be devoted to public housing to be  
9 undertaken under Public Law 307, Seventy-third Con-  
10 gress, approved June 12, 1934, as amended;

11 “(2) the site and use plan for the redevelopment  
12 of the area, included in the redevelopment plan of the  
13 project area pursuant to section 6 (b) (2) of this Act,  
14 shall include the approximate extent and location of  
15 any land within the area which is proposed to be used  
16 for public housing to be undertaken under Public Law  
17 307, Seventy-third Congress, approved June 12, 1934,  
18 as amended;

19 “(3) notwithstanding any other provisions of this  
20 Act, the Agency, pursuant to section 7 (a) of this Act,  
21 shall have power to transfer to and shall at a practicable  
22 time or times transfer by deeds to the National Capital  
23 Housing Authority those pieces of real property which,  
24 in accordance with the approved project area redevel-  
25 opment plan, are to be devoted to public housing to be

1     *undertaken under Public Law 307, Seventy-third Con-*  
2     *gress, approved June 12, 1934, as amended, and, in*  
3     *accordance with the requirements of section 107 of the*  
4     *Housing Act of 1949, the National Capital Housing*  
5     *Authority shall pay for the same out of any of its funds*  
6     *available for such acquisition.*

7     “(g) *It is the purpose and intent of this section to author-*  
8     *ize the District Commissioners and the appropriate agencies*  
9     *operating within the District of Columbia to do any and all*  
10    *things necessary to secure financial aid under title I of the*  
11    *Housing Act of 1949. The District of Columbia Redevelop-*  
12    *ment Land Agency is hereby declared to be a local public*  
13    *agency for all of the purposes of title I of the Housing Act*  
14    *of 1949. As such a local public agency for all of the pur-*  
15    *poses of title I of the Housing Act of 1949, the Agency is also*  
16    *authorized to borrow money from the Administrator or from*  
17    *private sources as contemplated by title I of the Housing Act*  
18    *of 1949, to issue its obligations evidencing such loans, and to*  
19    *pledge as security for the payment of such loans, and the*  
20    *interest thereon, the property, income, revenues, and other*  
21    *assets acquired in connection with the project or projects*  
22    *financed in accordance with this section with assistance under*  
23    *title I of the Housing Act of 1949, but such obligations or such*  
24    *pledge shall not constitute a debt or obligation of either the*  
25    *United States or of the District of Columbia.*



1       “(h) *Nothing contained in this section or in any other*  
2 *section of this Act shall relieve the Administrator of his re-*  
3 *sponsibilities and duties under section 105 (c) or any other*  
4 *section of the Housing Act of 1949.*”

5                               ACT CONTROLLING

6       SEC. ~~508~~ 510. Insofar as the provisions of any other law  
7 are inconsistent with the provisions of this Act, the provisions  
8 of this Act shall be controlling.

9                               SEPARABILITY

10       SEC. ~~509~~ 511. Except as may be otherwise expressly  
11 provided in this Act, all powers and authorities conferred by  
12 this Act shall be cumulative and additional to and not in  
13 derogation of any powers and authorities otherwise existing.  
14 Notwithstanding any other evidences of the intention of  
15 Congress, it is hereby declared to be the controlling intent  
16 of Congress that if any provisions of this Act, or the applica-  
17 tion thereof to any persons or circumstances, shall be ad-  
18 judged by any court of competent jurisdiction to be invalid,  
19 such judgment shall not affect, impair, or invalidate the re-  
20 mainder of this Act or its applications to other persons and  
21 circumstances, but shall be confined in its operation to the  
22 provisions of this Act or the application thereof to the per-  
23 sons and circumstances directly involved in the controversy  
24 in which such judgment shall have been rendered.





81<sup>ST</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 4009**

[Report No. 590]

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## A BILL

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

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By Mr. SPENCE

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APRIL 4, 1949

Referred to the Committee on Banking and Currency

MAY 16, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







ected on so that the reawakened conscience of humanity must in the end prevail. The law of love and understanding which has been set aside to permit the grossest barbarities to take place throughout the world only served to quicken the imagination of Clara Leiser, that magnificent pioneer in the problems of world youth to whom I referred above. Love of youth, with intelligence, has permitted her to continue in her single-minded purpose to be, not only the productive, but also the practical link between the children of the old world and the new. In this her effort has been unique. Five years ago she singlehandedly organized Youth of All Nations, Inc., a nonprofit, nonsectarian, nonpolitical group to help young people all over the world, regardless of race, color, or religion, understand each other through a carefully guided interchange of letters. This simple and yet profound idea has been so effective that Miss Leiser and her staff of unpaid volunteers are continually engaged in replying to letters from countries in every continent. These letters come from young men and women of strange and ancient civilizations who want to know about the new world—and they also come from students and others in streamlined high-school and college buildings all over the new world who want more direct, intimate and revealing contact with young people in distant lands.

Miss Leiser has continued this fight for all young people, never losing faith and never doubting that eventually many will come forward to help her answer all the questions which the youth of the world daily put to her. It is her hope to expand her organization and ultimately to establish a magazine of ideas to bring the youth of the world nearer to each other in understanding. The daily activity of this organization has already revealed hitherto unknown information about the deplorable conditions under which children must make their way. But the even greater contribution of this organization may be its efforts to give youth the opportunity it yearns for everywhere to blot out permanently the unhappy past and start building anew toward a happier future.

Recently another agency resettled 40,000 young men and women, all victims of Hitler's rise to power, in the agricultural communities of the little Republic of Israel, giving that new nation the nucleus of the youngest population in the world. That is an impressive example of what can be done for young people of every race and religion in every land, particularly in the vast and fertile expanses of the United States, Canada, and South America—if the will and the organization are present. Clara Leiser's work has manifested this will and organization in a magnificent and moving degree. Perhaps her dream can be realized in the greatest republic of all. Whoever wishes to help Miss Leiser achieve her goal is invited to send contributions or requests for information to her at the following address: Youth of All Nations, 16 St. Luke's Place, New York 14, N. Y.

EILEEN J. GARRETT.

[From Youth of All Nations, Inc., New York, N. Y.]

WORLD'S EDITORS ASKED TO HELP INVITE WORLD YOUTH TO PALAIS POSTAL TO AIR VIEWS ON PEACEFUL RELATIONS WITH GERMAN YOUTH

While the Big Four foreign ministers discuss Germany's future in the Palais Rose in Paris, young people in all countries, big and small alike, are being invited to convene in a palace postal in New York to air their views on peaceful relations with Germany's youth.

The palace postal is run by Youth of All Nations, Inc., at 16 St. Luke's Place, New York. "Our files bear quiet but pretty important testimony," said Clara Leiser, the organization's founder, "to how much peace-

mindfulness—and action to support it—can be achieved through a carefully thought-out system of letter exchanges whereby customs, experience, beliefs are really shared, differences thrashed out, and prejudices leveled."

The palace postal, it turns out, is the Youth of All Nations mailbox. In addition to stimulating individual letter-friendships among youth of all races, religious beliefs, and nations, this global ideas-exchange conducts a continuing letter-forum. Just now its members on all continents are being asked to air their views on relations with German youth. "The attitudes of other countries' youth toward the youth of Germany 4 years after the end of the war, and how they believe they can manage to get along peacefully when they are 10, 15, or 25 years older, is at least as important," suggested Miss Leiser, "as economic and military agreements, or national boundaries, arranged by Government officials. Today's youth is informed, articulate, and determined to allow less slaughtering of humanity than their elders have permitted."

Youth of All Nations is appealing to newspaper editors the world over to give the generation which war always compels to do the most killing and dying a chance to speak its own mind on the German problem. Boys and girls and young adults everywhere are asked to write in their answers to specific questions depending on whether their countries suffered Nazi occupation, were allies, neutrals, or enemies.

Young Americans are being asked to say:

1. What knowledge of Germany and its youth did you have before 1939?
2. Did you or relatives or friends of yours fight in the war against Germany or are they now in the occupation forces? If so, in exactly what respects has this confirmed or changed your feelings about Germans as individuals or Germany's place in the world?
3. If you correspond with Germans, what have they written about their Nazi training and their war experiences?
4. Have you German correspondents criticized American, British, French or Russian occupation policies, and in exactly what ways?
5. How do you personally believe peaceful relations between German and world youth, especially American, can be permanently maintained?

No prizes are being offered beyond the satisfaction of helping to throw light upon a problem of deep and long importance.

All replies should be sent to Youth of All Nations, Inc., 16 St. Luke's Place, New York 14, N. Y.

(The sponsors of Youth of All Nations, Inc. include men, women, and organizations active in education, religion, and international relations. Among them: Dr. Gordon Allport, Harvard University; Barry Bingham, Louisville Courier-Journal; Lyman Bryson, CBS; Henry Smith Leiper, World Council of Churches; Helen White, American Association of University Women; Harry Scherman, president, Book of the Month Club; State school superintendents; American Friends Service Committee; National Council of Jewish Women; Institute of International Education. Directors include: Mrs. Eileen Garrett, publisher of Tomorrow magazine; Mrs. Clara Savage Littledale, editor Parents' magazine; Pearl Buck, writer; Louis Lochner, etc.)

#### EXTENSION OF REMARKS

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include an interview granted by Dr. Valentine de Balla.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the general debate on the International Children's Emergency Fund bill.

Mr. PRICE (at the request of Mr. ALBERT) was given permission to extend his remarks in the RECORD and include a speech delivered by Gen. Omar Bradley, together with other extraneous articles, notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing, and is estimated by the Public Printer to cost \$243.75.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. KENNEDY (at the request of Mr. WAGNER) was given permission to extend his remarks in the RECORD in three instances.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include two articles by Mr. Stokes, one appearing in the Star on March 13 and the other on March 16.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. BENNETT of Florida asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five instances and include extraneous material.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. VURSELL] is recognized for 20 minutes.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

#### FEDERAL HOUSING

Mr. VURSELL. Mr. Speaker, within a few days the Members of the House will be called upon to consider the Federal housing bill, H. R. 4009. I am opposed to this legislation because, in my judgment, it has no merit and is not necessary.

This is the most dangerous proposal that has come before the Congress during the 6 years I have been a Member of this body. If this legislation is passed, it will be a dark day for this Nation. We will have embarked upon a socialistic policy of Federal housing from which we will never be able to turn back.

It will add a continuing burden of expense that will add to the cost of government the colossal sum of over \$20,000,000,000 before it runs its course. It will mean less housing facilities at much greater cost per unit. It will reduce the building of homes and apartments, rather than increase them. It will destroy personal thrift and initiative among our citizens and will encourage the building up of an indigent class of citizens in our Nation.

It will increase the cost of rent and transfer the increase of such rentals



through taxation which must be paid by the thrifty citizens of America who have built their own homes.

It will take us down the road to socialism in America farther than any legislation yet enacted. It will destroy to a certain extent the initiative and incentive of private industry and builders who are rapidly providing houses and closing the gap between supply and demand of homes and rental units.

It will place an additional burden of \$518 in taxes on every family in the United States at a time when the tax burden is now so great that it should be reduced.

Mr. Speaker, this housing bill provides that out of Federal funds the Government will build 1,050,000 family units of public housing within the next 6 years at a cost to the Federal taxpayers of \$16,000,000,000 for direct grants and loans.

It also authorizes grants and loans of \$1,500,000,000 to be used in what is termed "slum clearance" in the big cities. That means the tearing down of old buildings in which people now live, and building modern buildings on those sites.

It also authorizes loans up to \$312,500,000 to repair and improve farm homes and buildings where such loans cannot be obtained from local banks. The total expenditure for this first experience in Federal or socialized housing will amount to \$19,312,500,000.

Mr. Speaker, the bill provides that there may be expended up to \$2,500 per room—exclusive of land, and so forth—in the cost of the building alone. If you multiply \$2,500 by five in determining the cost of a five-room apartment, this will bring the cost for the building only to \$12,500. When you add the land and other expenses, such apartments would cost a total of \$15,000 or more, each.

Then if you divide the \$16,000,000,000 by a little over \$15,000, you come out with a figure of 1,050,000 houses or apartments, which uses up your \$16,000,000,000.

Some may cost less, and some more. But it is estimated that at the present high cost of material and labor, the cost per unit will run somewhere on an average of between \$12,000 to \$15,000. I submit that the building of such modern houses and apartments to house 1,050,000 families who do not earn sufficient wages to furnish their own housing is unfair to other millions of taxpayers who must pay for this housing through taxes who own their own homes which are not as comfortable and modern as this bill proposes for those who are not able to pay full rent and who do not own their own homes.

The Members of the Congress and the people should know that the people who occupy these homes will be charged a rental far less than they should pay according to the investment in the homes, and probably in many instances not more than 50 percent of the real rental that should be paid.

The Members of the Congress and the people should know that none of these houses or apartments built under this proposed legislation are ever to be sold.

They are to be perpetually owned by the Government, and perpetually rented for far less than the real rental value.

The Members of the Congress and the people should know that this bill provides there may be used for the building of these houses and apartments, and taken out of the Federal Treasury, a subsidy to these renters of \$400,000,000 a year for 40 years which will be paid to the various housing authorities set up under the bill to pay the difference in rent that these tenants should pay.

#### POLITICAL HOUSING

This bill should be named a political housing bill, because the political possibilities are almost unlimited.

If the Government builds 1,050,000 units, this many families with an average of 4 people to the unit should total the housing of over 4,000,000 people, all securing their rent from the Government at probably 50 percent lower than normal rental rates. It is estimated that each of the over 2,000,000 people on the Federal pay roll is worth politically to the administration in power 3 votes per person, or a total of 6,000,000 votes. Now, if you add 4,000,000 more people who would be getting modern housing at a 50- to 60-percent normal rental, you can readily see the tremendous politically influenced votes that can result from this legislation. Such a condition will threaten our system of representative government. It is a dangerous mixture of paternalism and socialism. It will remove the incentive for people to work, produce, and save to build their own homes. It will, in fact, hurt the very people it is designed to help. It will destroy the incentive of private investment of capital and private building of homes. If we pass this legislation, we will be further drinking from the cup of socialism which leads ultimately to the lethal poison of communism.

Mr. Speaker, to further show how political such legislation is, may I quote from a book entitled "The Challenge of Housing," by Langdon W. Post, former chairman of the New York City Housing Authority and nationally known as a proponent of public housing. His remarks are quoted in his book on pages 259-260, and I quote:

It is obvious that housing is now in politics, and must be so if you are to house decently the poor of our cities. A large housing program benefits not only the slum dwellers, but business in general. In a housing program there are land to be bought, houses to be built, and tenants to be selected. Each step holds great possibilities for the politicians and the businessmen. The real estate operator has land to sell; the banks have mortgages which they are anxious to have rescued; there are building contracts to be awarded; the inhabitants of slums are tumbling over themselves to get into the developments, which means there will not only be the usual jobs for those in control to give out, but apartments as well.

This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunity in a \$500,000,000 housing program in New York City, commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

This is as it appears to Mr. Post, former chairman of the New York City Housing Authority and nationally known proponent of public housing.

The Senate recently made a study and investigation of Federal housing constructed by the Government during the past few years. The chairman of that committee, Senator McCARTHY, had this to say:

We made a very thorough investigation of the Federal Housing Administration and found many things wrong with that agency.

Senator McCARTHY pointed out that the situation got so bad that the Government General Accounting Office, in attempting to make an audit, reported that it was absolutely impossible to intelligently audit the books of the Federal Public Housing Agency. The committee called in Price & Waterhouse, public accountants, who agreed that no possible audit could be made.

An investigation of Federal housing experience up to date shows gross inefficiency and the waste of millions of dollars; and, at times, graft of the taxpayers' money.

Mr. Speaker, in my opinion, one of the greatest mistakes this Congress can make is to put the Government into the housing and rental business. It is the same long step toward socialism France took after the First World War that almost stopped the investment of private funds in building construction, and has turned France largely into a nation of slums so far as the cities are concerned. The same results can happen here. This legislation is political and socialistic to the core.

Let me offer some further proof that this bill is wrapped up in politics. I want to quote the testimony of John W. Edelman, representing the CIO, before the Senate committee at the hearings on this bill. Here is what Edelman said:

Once this program is well underway it will develop sufficient political momentum in the future to increase and extend this authorization to whatever extent may be necessary.

The move toward control of the tenant's vote was further indicated with the published statement in the New York Post of Charles Abrams, one of the leading socialized housing advocates and former consultant to the United States Housing Authority, when he said, and I quote:

Within a few years public housing will dominate nearly 10 percent of the city's families in New York City and this will mean a tremendous volume of construction contracts, patronage, and other rewards for the worthy.

He added that—

Public housing is political housing . . . selection of sites enables carving out blocks where hostile votes are numerous and then retententing the projects with those who vote right.

This philosophy, it seems to me, establishes a dangerous precedent for the continued best interests of the American people. Abrams is one of the present high pressure lobbyists for this Federal housing bill.

The vote-pulling power in public housing projects was borne out recently in



California. Though the State voted heavily against public housing, where the people lived in public housing projects, they voted 2 to 1 for this kind of subsidized rentals. Public housing has been defeated twice in Missouri and North Carolina, with similar opposition in Utah, Minnesota, South Carolina, Colorado, and Wyoming. When the issue is brought before the people and they understand its ramifications, public housing in every instance has been defeated.

Mr. Speaker, the \$1,500,000,000 provided for in the bill for slum clearance will go, most of it, for the purchase of land in the heart of the big cities like Chicago, New York, and several other big cities. About one billion will be spent for the purchase of land sites. Then the people living in these run-down, blighted areas will have to be moved out for a year or two to give the Government time to tear down the old buildings and to build new ones. It will cost a lot of money to relocate these people in temporary housing.

Modern buildings will be built on these old sites, fully equipped with electrical appliances, and then rented to people in low-income groups at a price they can afford to pay.

For instance: A twelve- to eighteen thousand-dollar residence or an apartment will be rented, say to people earning up to maybe \$3,000 a year. These apartments or residences that would normally rent on the investment put into them from \$60 to \$90 a month may be rented say, from \$30 to \$50 a month.

The Government and local housing authority would own and operate this Federal housing. For instance: The people in southern Illinois and the Nation, through taxes, would be compelled to pay the difference between the rental paid by these so-called low-income groups, and the rental they would have to pay if such rentals were fixed at high enough rates to carry the investment in the property. The Federal Government in subsidizing these rental properties would make up the difference with checks out of the Federal Treasury.

Mr. Speaker, let us assume that 50,000 rental units are built by the Federal Government in Chicago. An organization is set up of State and Federal employees to manage these rental units and to take applications for rentals. They are supposed to find out what the person earns, what is his financial condition, how big an apartment or residence he needs to house his family, and if he earns, let us say, less than \$3,500 a year, as the Government may fix, the rental price is fixed on the apartment or house which the manager thinks the renter is able to pay when he moves in. Whatever he fails to pay, whether it is \$15 or \$40 a month to reach a rental level that would pay for the cost of management and the interest on the rental unit, is paid out of the Federal Treasury.

Before and during the war, thousands of such buildings were constructed and rented by the Federal Government. In practically every such Federal housing district the record shows that families earning from \$3,000 up to \$5,000, \$10,000 and \$22,000 a year were allowed to move

into these buildings, and many are still occupying these buildings 4 years after the war is over.

If this housing bill is passed, Federal and State politicians on the pay roll who have done just what I have explained to you in a great many instances, will doubtless follow the same policy of taking care of their personal and political friends. If there are 50,000 rental units built in Chicago under this bill, I think you can see that such renters will be in a position where those in charge of the Housing Authority and its management will be able to control, if they so desire, a majority of the votes in such Housing Authority.

Now the facts are that in every housing authority in the United States today a check of the vote shows that they have been used politically by big majorities. It happened in Chicago, in California, and every place where the Federal Government is in charge of the rental of a housing section.

Mr. Speaker, let me use Chicago again as an example and point out to you who is responsible for these Chicago slums. The mayors of the city of Chicago, beginning with William H. Thompson, and even further back than him, on down through Mayor Cermak and Mayor Kelly up to the present time allowed these slum conditions to be brought about. They failed to enforce the public-health laws of the city that would have compelled the owners to keep these buildings in good, repair and sanitary condition. Worse than that, the extravagance of city administrations in Chicago, by padding their pay rolls and the pay rolls of the sanitary district to the point where they run the cost of government so high that they had to raise taxes each year, helped to bring about these slum conditions.

By the waste and extravagance of the city governments of Chicago, taxes have become so high that practically no one will build a rental building in Chicago. If they want to build a residence or an apartment, they go out of the city limits into the suburbs of Oak Park, or other places, where government is better and taxes are lower.

Mr. Speaker, now after these city administrations and city politicians through the years have brought about these slum conditions because of neglect of their duty, and by waste and extravagance of public funds, the taxpayers in my district of southern Illinois, who have worked and saved to build their own homes, are called upon after they have paid their own taxes and kept their own homes in livable conditions, to contribute money in taxes and rentals for the next 40 years under this bill to build modern residence and living units that will cost from \$10,000 to \$15,000, on this high-priced land in Chicago to help house the low-income groups.

Yes, and the taxpayers of southern Illinois and the Nation who have been thrifty enough to own their own homes will be taxed to clear city slums throughout the Nation. They will have to clear the slums brought about by the waste and high taxes by former Mayor Frank Hague, the powerful political Democratic

boss of Jersey City, N. J. Time magazine last week had this to say with reference to Hague, whose regime had just been defeated for mayor:

Left to the new mayor was a city with one of the highest tax rates in the Nation, rigged assessments, discouraged businesses, factories deserted by fleeing industry, a city turned into a patchwork of slums by political graft.

If this legislation is passed, the taxpayers of southern Illinois and the taxpayers of the Nation will also have to contribute to the rebuilding of the slums in New Jersey and other cities.

Mr. Speaker, I dare say that not over 10 percent of all the residences in my district cost the owners \$15,000, or could be sold above \$15,000. Many workingmen are living in nice comfortable cottages that they struggled and saved to build that cost them from \$3,000 to \$7,000. Many a farmer has raised a fine family, and after his children have moved away, is living in a farm home that when built cost less than \$3,000 to \$4,000. Yet these people and these farmers must pay additional taxes for the shiftless in the Chicago area.

I do not believe when they understand this wild political scheme of socialized housing that 20 percent of the people of my district, or the Nation would support it. When the Government begins to spend these billions of dollars for material and for labor, it will be tough on the little fellows who want to build a home or business building, to compete with the Government in securing this material. The Government will bid up the prices of construction and the waste in these projects will amount to millions of dollars, a part of which will be taken from every family in my district, and the Nation.

Mr. Speaker, if this program goes through, housing will cost more money and we will get less units of housing. You cannot get houses by legislation. Houses are built by contractors, carpenters, painters, and workmen. Practically every workman in the building-trades industry that wants to work can work every day at the present time in the building of new houses or in the repairing of old ones. When the Federal Government goes into the housing business it will slow down private capital investment which otherwise would go into housing.

There will be less units built under this new bill and the units will cost the Government far more than if they were built through private enterprise. In 1947 and 1948, even with the shortage of material then, private builders built 1,785,000 homes, which was the greatest number of housing units in 2 years ever built in the history of this Nation.

If the Government will stay out of this housing business, within a short space of time the housing needs of the people will be met, and, as the cost of material drops, at prices the people can afford to pay.

The people of my district should not be compelled to help pay the rentals of Chicago citizens and for other cities for the next 40 years. There are a hundred



reasons why the Government should not go into socialized housing.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has labeled this measure a step toward socialism; would not the gentleman agree with me that it is sort of establishing a socialistic "give-me-ism"?

Mr. VURSELL. Yes; the gentleman is quite right. I think it is bad to offer incentives that may retard the efforts of people to work and save and get these things for themselves. I think any so-called gift legislation or Santa Claus legislation strikes at one of the greatest moral and fundamental wealths in the Nation; that is, the desire and incentive of the people on their own, independently to struggle and strive for the things they desire.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the former distinguished Lieutenant Governor of Illinois, now a Member of this body.

Mr. O'HARA of Illinois. Does the gentleman mean to imply that the Republican Members of the Senate who voted for a similar bill intended to encourage socialism?

Mr. VURSELL. No. I do not pass judgment upon their intent. I think this bill was probably passed without due study in the Senate. Regardless of that, I am so certain this House ought to stop it if it can, that I would not support this legislation if I knew it would block every opportunity whatsoever for me ever again to return to Congress. I am that sincere in opposing this piece of legislation.

Mr. O'HARA of Illinois. Would the gentleman then request the Republican Members of the Senate who voted for this bill to leave the Republican Party and join the Socialist Party?

Mr. VURSELL. No; and I do not believe that any considerable number of Members of the Senate, either Republicans or Democrats, wish to follow socialistic trends. I think some, maybe many of them may not feel this proposed legislation is socialistic. I as one Member of this Congress think it is.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to my able friend and colleague.

Mr. CHURCH. I wish to commend the gentleman for his courage. I wish to say to the gentleman from Illinois [Mr. O'HARA] that it does take courage for the gentleman from Illinois [Mr. VURSELL] to make this statement. I am glad I made a statement something along the same lines before the Committee on Rules the other day. I did it because this year the bill has about \$10,000,000 more of this so-called socialistic "give-me-ism" in it than did the bill which the Committee on Rules was able to hold in its committee a year ago, when it found out the nature of the bill. Then, thereafter, in the other body that kind of legislation was abandoned.

I am sure when the gentleman's thoughts go out to the public and when

they find out what is in this bill, they will appreciate the courage of the gentleman from Illinois who is now speaking.

Mr. VURSELL. I thank the gentleman. I have a considerable knowledge of Chicago, the home of the distinguished former Lieutenant Governor of Illinois [Mr. O'HARA], my good friend for many years back. I remember back when he was Lieutenant Governor of Illinois in 1915 when I was a member of the Illinois House of Representatives. That goes back some 33 years ago.

Mr. O'HARA of Illinois. I have a profound respect and great affection for the gentleman from Illinois who is now speaking.

Mr. VURSELL. I have always had a very high regard for the gentleman from Illinois [Mr. O'HARA], who is now an honored Member of this House. But let us take the Chicago situation. I remember the days of Mayor of Chicago Big Bill Thompson, the builder, then there followed Mayor Cermak, and then followed Mayor Kelly. All of them could have helped prevent these slums by enforcing the public-health laws compelling property owners to keep their buildings in good repair and in sanitary condition. But they did not do it. I will tell you what they did do, though. They had such extravagant administrations, all of them, Republicans and Democrats alike, that they got their tax rates higher and higher each year until everybody who wants to build moves out of Chicago to the suburbs where there is better government and lower taxes.

(Mr. CHURCH asked and was given permission to revise and extend his remarks.)

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Nebraska [Mr. O'SULLIVAN] is recognized for 20 minutes.

#### THE LATE WILLIS GRANTZ SEARS

Mr. O'SULLIVAN. Mr. Speaker, pursuant to the request granted to me yesterday to address the House for 20 minutes, I arise today to announce to the House of Representatives that one of our former splendid Members, Judge Willis Grantz Sears, has died. As many of you will doubtless remember, he served for four terms, from 1922 to 1930, as Congressman from the Second Nebraska District, which district I now represent. He died at his home in Omaha, Nebr., on Wednesday, June 1, 1949.

By way of a biographical sketch for the permanent records of this House, I secured most of the following factual information respecting Willis Grantz Sears and the families of his father and mother from page 6 of the History of Nebraska:

He was born August 16, 1860, in Wilmoughby, Ohio, and was the son of Rev. Stephen S. Sears and Mary (Wilson) Sears. He was only about a year old when his father, a minister of the Methodist Episcopal Church, died. The widowed mother survived the husband of her youth and was 89 years old at the time of her death, in 1922. Both the Sears and Wilson families settled in the United States of America in the colonial period and both were represented by soldiers in the War of the Revolution. Mrs. Sears'

maternal great-grandfather, James Wilson, served under General Washington and was with that great commander at Valley Forge. After the death of her husband, Mrs. Mary Wilson Sears returned to her former home at Meadville, Pa., where Willis G. Sears acquired his early education in the public schools. In 1879, when he was about 18 years old, the family came to Burt County, Nebr.

I am sure that the following, also from the afore-mentioned work, will be of historical interest to Nebraskans:

James E. Wilson, brother of Judge Sears' mother, was prominently associated with the development of the town site of Decatur, Nebr., and had the distinction of serving as first sheriff of Burt County, being appointed by Governor Burt, in whose honor the town was named. The area of Burt County at the time Mr. Wilson became its first sheriff was 80 by 120 miles, and the jurisdiction of the county for judicial and taxation purposes extended from the southern boundary of Burt County, Nebr., to the Canadian line, and from the Missouri River to the peak of the Rocky Mountains.

In the years 1882 and 1883, Willis G. Sears was a student in the law department of the University of Kansas, and in April 1884, at Tekamah, Nebr., county seat of Burt county, he was admitted to the bar. He continued in the active and successful practice of his profession of law at Tekamah, Nebr., until 1904. He served as county judge, member of the board of insanity, and on the school board, all of Burt County, and for 6 years, from 1895 to 1901, he was county attorney of Burt County, Nebr. He was an elected member of the Nebraska House of Representatives from 1901 to 1904, and was chosen as speaker of the house in the 1901 session. He also served three terms as mayor of Tekamah, Nebr. He was one of the elected judges of the district court from January 1904 to March 1923. He resigned his judicial office to enter upon his duties as Representative of the Second Nebraska Congressional District. He was elected to Congress as a Republican in November 1922. In 1924 he was reelected and again in 1926 and 1928 he was the choice of his district for a third and a fourth term. During his first term in Congress he was assigned to the House Committees on Claims, Contested Elections, Revision of Laws, and Expenditures of the Department of Justice. Judge Sears was a recognized leader of the Midwest Representatives in Congress. Expert students of politics and congressional activities gave much attention to him as chairman of the congressional bloc in the House of Representatives, which bloc numbered about 125 Members. The primary purpose of this bloc was to secure legislation and appropriations for the improvement and navigation of the Missouri River and with incidental flood control of western rivers. The bloc endorsed the passage of an amendment to the rivers and harbors bill in the House of Representatives accepting the principles of navigation of the Missouri River from Kansas City to Sioux City, and the plan in full embraced improvements and projects as far up the river as Fort Benton, Mont. After having been succeeded in Congress by Malcolm Baldrige, of Omaha, Nebr., he was elected again to the office of district judge and served as such for 16 additional years, from 1932 to 1948.

Judge Sears had his residence in Tekamah, Nebr., until 1915, and thereafter he took up his residence in Omaha, Nebr. He was a member of the Nebraska State Bar Association, a Knight Templar, and a thirty-second degree Scottish Rite Mason and Shriner, was a past exalted ruler of the Benevolent and Protective Order of Elks No. 39, of Omaha, Nebr., was a member of the Independent Order of Odd Fellows, and Loyal



Since the 1940 census of housing, however, a number of cities have made very refined and exhaustive door-to-door and room-by-room surveys of their slums and blighted areas, using the most scientific procedures ever yet devised, the appraisal method for measuring the quality of housing, sponsored by the American Public Health Association. And in every city for which the results are available—New Haven, Philadelphia, Milwaukee, and also in Baltimore where another type of method was used—it is clear that the homes requiring outright demolition in the interests of public health and welfare are about the same or a larger number than appeared to be the case in 1940. An interesting and conclusive analysis of the Milwaukee survey, highlighting these sad conclusions, was inserted in the CONGRESSIONAL RECORD on April 14 by Congressman BREWSTER, of Wisconsin.

SPECULATIVE BUILDERS ARE ONLY REACHING THE RICHEST THIRD OF THE POPULATION, AND THE ECONOMY HOUSE IS NO ANSWER

Of all the claims made by real-estate propagandists, one of the most fantastic is the notion that private builders are producing homes within the reach of everybody's pocketbooks. About a year ago the Construction Industry Information Committee issued a release saying, "the private building industry provided new homes in proper proportions during 1947 for families in every income group except the lowest tenth and the highest fifth of the country's income brackets." The false and fancy statistics on which this ridiculous claim was made were refuted and discredited at the time in a statement which I included in the CONGRESSIONAL RECORD on March 15, 1948.

But now Mr. Robert Gerholz, chairman of the Realtors' Washington Committee of the National Association of Real Estate Boards, says blandly that "the building industry is returning to its prewar pattern of construction for all income brackets wherever the demand exists, with the natural emphasis on the economy house" (April 15, 1949).

Well, even the Federal Housing Administration admits that the median income of nonfarm families is around \$3,000, and that a family with \$3,000 should not pay more than \$6,000 for a house, in some cases less. Which means that at least half of our nonfarm families would need houses costing less than \$6,000 if they were to buy on the speculative market.

And even \$6,000 houses are very few and far between, despite all the economy house promotional fanfare, and even if you could find one it would very likely be an unfinished shell, a tiny box not big enough for a garage or a few cows let alone a normal family with two or three children. A good analysis of this economy house, and its dangerously low-living standards, was inserted in the CONGRESSIONAL RECORD by Congressman MITCHELL, of Washington, on May 9, 1949. This analysis proves that the economy house experience is no argument for lowering the cost limitations for public housing as included in H. R. 4009. Quite the contrary, it proves beyond question that they must be maintained as is.

But in any case, all the evidence shows that the speculative builders, today as well as throughout the past several decades, hardly ever reach a family that is not in the top third income bracket.

"What is happening in the field from \$6,000 to \$9,000 houses," said Senator CAIN, of Washington, during the Senate hearings on the housing bill to a Midwestern bank president, representing the American Bankers Association. "I see no houses in that field in the fourth Federal reserve district," was the reply.

And here is what Mayor Van Antwerp, of Detroit, said at the recent convention of the

United States conference of mayors in Washington:

"How many times during the past 3 years have you read in the real-estate section of your Sunday paper that the private home builders were on the verge of producing the low-cost home on a volume basis? Officials of the FHA and the heads of the home builders associations have been singing this theme song for years. The current version of this campaign is the FHA-sponsored \$6,000 economy house. During the year 1948, more than 90 percent of all new homes built in Detroit were priced in the \$10,000 and higher brackets. Most so-called economy houses on careful scrutiny turn out to be either a glorified garage or a partially completed house constructed in Mudville several miles beyond the corporate limits of your city."

A REAL HOUSING PROGRAM WAS BADLY NEEDED IN 1946, 1947, AND 1948; IT'S AN ABSOLUTE NECESSITY TODAY

All during the campaign against the Wagner-Ellender-Taft bill of the Seventy-ninth Congress, and the Taft-Ellender-Wagner bill of the Eightieth Congress, the real-estate lobby played one tune in perfect unison. "Public housing and slum clearance would be inflationary." Often the intended impression was that they were not against the principle of better housing and getting rid of slums. Oh, no, indeed, but not now. This is the wrong time.

And most of the 1949 antihousing bill pamphlets which have been strewn around by the thousands still sing the same song. The implication throughout is summed up by the United States Savings and Loan League in a little leaflet called the Dangers of Public Housing, as follows: "Billions more would be added to our dangerously high Federal debt and more fuel—more credit—would be thrown on the flames of inflation."

But when it came to battling against rent controls, or getting easier credit for speculative building, the tune was entirely different. The Washington Newsletter of the National Association of Home Builders for March 9, 1949, remarked that "there are disturbing signs of a slackening in the tempo of housing production in recent months."

\* \* \* The time has come when national policy must be directed, not to the problem of checking inflation, but to the problem of preventing deflation in our economy." So this was the line in the hearings on rent control. And now the quick change around is complete as the opponents of H. R. 4009 advance economy as their major ally in their attempt to defeat the measure.

So it's the same story either way. No use fixing the roof when it isn't raining, and you can't fix it when it is raining.

But the truth, by contrast with this double talk, is quite different.

If we need housing, we need housing. And if we have needed a bold housing program ever since 1945, we need it doubly now. For by now it is absolutely clear as crystal that private enterprise will not and cannot solve the housing shortage by itself, that private enterprise will not and cannot get rid of the slums, that private home-building enterprise can only serve a very limited segment of the housing market, has already met most of that market for the immediate present, and is therefore declining.

The Bureau of Labor Statistics reported that in the first quarter of 1949 the "starts" in nonfarm dwelling construction were 12 percent under the number started in the same period last year. This single fact, together with other downward shifts visible in our economy at present, simply makes the need for housing legislation as imperative from the over-all fiscal viewpoint as it always has been from the social viewpoint.

The evidence is all in: There are 20,000,000 words of it in congressional hearings since

1944. The people want it. On April 24 Elmo Roper summed up the results of local and Nation-wide opinion surveys on housing as follows: "If there is a mandate for the Eighty-first Congress on any issue, the mandate on housing is perhaps the clearest of all. The people want their Congress to expedite the building of new homes. Majorities want a program of slum clearance and low-cost public housing."

Let's get busy and pass H. R. 4009, which will shortly be before this body.

Milton Horace West

MEMORIAL ADDRESS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 25, 1949

On the life, character, and public service of Hon. MILTON HORACE WEST, late a Representative from the State of Texas

Mr. KEOGH. Mr. Speaker, MILTON H. WEST was one of the most conscientious and effective legislators to have been sent to the House from Texas, which has produced so many vigorous public servants in the National Legislature.

He was destined to follow to Congress one of the most respected and beloved of Texans—John Nance Garner. When Mr. Garner, who had been Speaker, resigned his seat in the House to become Vice President, Mr. WEST was chosen in a special election, April 22, 1933. His task was a difficult one. But he did not suffer by comparison with his illustrious predecessor.

MILTON WEST had a solid Texas background, and it stood him in good stead, assisting him in maintaining balance among the swirling currents of controversy in Washington.

A native of El Rancho, Tex., he attended the West Texas Military Academy in San Antonio. Then, at 22, he enlisted in Company C of the Frontier Battalion of the Texas Rangers. That was in 1911. In this superb, rigorous service, he spent nearly 2 years.

Attracted by the law, he gave up his role in its enforcement to study its interpretation. In a law office in Floresville, Tex., he received a sound, practical grounding in the legal principles of his Nation and his State. He was admitted to the Texas bar in 1915 and began practice in Floresville, where he remained until 1917. In that year, he moved to Brownsville, which was to remain his home until his untimely death.

Mr. WEST maintained a successful practice in Brownsville and became a highly regarded member of the community. In 1922, he offered his legal talents to the public as a whole in the election for district attorney. His qualifications were recognized at once, and the voters chose him as prosecutor for the Twenty-eighth Judicial District of Texas. He discharged the responsibilities of his post capably and served until 1925. After a brief return to private life, he became a prosecutor again in 1927 as



assistant district attorney for the same district.

Then, in 1930, he resigned to be a candidate for the State legislature. He was successful and had useful service in that body until his election to the House.

MILTON WEST displayed early in his congressional career a grasp of the intricate and vital problems of Government finance. During much of his time on Capitol Hill, he was occupied with the tedious but supremely important task of finding adequate revenue to operate the huge Federal establishment. In his years as a member of the Ways and Means Committee of the House, his colleagues came increasingly to rely on his sound judgment.

He not only had an important hand in writing numerous tax measures in the program of internal revenue raising, but also found time to make exhaustive studies of the tariff structure.

Despite the ill health of his last years, he strove to discharge his responsibilities to the best of his ability. He continued to give his district effective representation and still was a valued Member of the House when, in January 1948, he made the announcement that saddened his friends, both in Texas and in Washington. MILTON WEST declared at that time that he would not be a candidate for reelection.

When he died, October 28, 1948, the House lost one of its most valued legislative workmen. He brought to Congress a methodical, discerning mind, a high devotion to responsibility, and a modesty and friendliness which combined in his passing to produce a sharp sense of loss among his colleagues and a deep feeling of sympathy for his widow and lawyer son.

### Low-Income Housing

#### EXTENSION OF REMARKS

OF

#### HON. JOHN F. KENNEDY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1949

Mr. KENNEDY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include herewith a statement made by the Right Reverend Monsignor John O'Grady, secretary of the National Conference of Catholic Charities, before the House Committee on Banking and Currency, on H. R. 4009:

STATEMENT OF RT. REV. MSGR. JOHN O'GRADY, SECRETARY, NATIONAL CONFERENCE OF CATHOLIC CHARITIES, BEFORE THE HOUSE COMMITTEE ON BANKING AND CURRENCY, CONSIDERING H. R. 4009, MAY 9, 1949

Those of us who campaigned for the United States Housing Act of 1937 regarded it as part of a program to provide decent housing for families in the low-income brackets. We have endeavored to evaluate the program from the standpoint of this basic objective. In our campaign for H. R. 4009 we want to emphasize the same basic objective. I am not appearing before this committee therefore to ask for governmental housing for single people, for the aged, for

retired people. I have come to make a plea for actual wage-earning families in the low-income brackets.

I have always been strongly opposed to a needs test for the admission of families to public-housing units. I believe that a needs test is demoralizing. I believe that bringing together into one community a considerable number of relief families would create a very unnatural community. I believe that the community so created would bear many of the earmarks of a poorhouse. It would not have the kind of leadership that a community needs for the fullest development of its members. Very many relief families are broken families. Usually the head of the family has been separated from the home by death, divorce, or desertion. There is nobody in such a family who can take any large part in community activities.

#### PUBLIC HOUSING—A PREPARATION FOR HOME OWNERSHIP

Those of us who have been interested in public housing have always regarded it as a means of building up families, of improving their standard of life. We have therefore regarded their period of residence in the public-housing project as a sort of preparation for home ownership and I have been impressed during my visits to public-housing projects in Chicago and Cleveland during the past 2 weeks with the number of residents who are really preparing themselves for home ownership. They were not satisfied to remain permanently in the projects. They wanted to realize the ideal of every American, namely, the ownership of their own home. Here are some illustrations that I secured from a housing project in Cleveland during the past week.

The A family—husband, wife, and three preschool boys—moved into a dwelling in the public-housing project in 1938. Mr. A was employed in the shipping department of a wholesale hardware store at a salary of \$1,500 per year. The family participated in the activities at the community center which in addition to social evenings included classes in budgeting, homemaking, child care, etc. When better employment was available, Mr. A accepted a job with increased earnings. With the experience of having learned to live within a limited budget, the family was able to save enough money by February 1945 to purchase a home. This meant effort and sacrifice for by 1945 there were six sons in the family and over the years of higher income there was proportionately higher rent. The A family purchased a well-built old house on a large lot in the suburbs. A chicken house was also included.

The B family—husband and wife—moved into the project in 1939. Mr. B was a clerk in a telegraph office with salary of \$1,176. Both Mr. and Mrs. B were interested in civic and community activities. During the war when the Nation became garden-minded, they were among the first gardeners on the 20 x 20 plats provided by the project. The family's financial condition improved and when Mr. B was accepted as an employee of the United States post office in 1945, they made a down payment on a pretty badly neglected house in a nearby town. Neighbors from the project helped Mr. and Mrs. B put the property in condition. It was only necessary for them to employ help for skilled jobs such as plumbing and electrical repairs.

It has been the basic ideal of the managers of public-housing projects all over the country to encourage a spirit of self-help among the occupants. They keep on reminding the people that they should be looking ahead to the time when they would own their own homes. For this reason the public-housing projects are concerned basically with ordinary low-income wage-earning families.

They've been concerned principally with families above the poverty level rather than with those that have already reached this level.

#### PROVISION FOR LARGE FAMILIES

As I have moved around in the various public-housing projects in different cities in the United States, I have been greatly concerned about what I have heard in regard to one-room or two-room units. I kept on asking the managers of these projects why it was they had so many one-room and two-room units. They have reminded me that this was due to the cost limitations imposed by the United States Housing Act of 1937. The cost limits imposed by the act ranged from \$1,000 to \$1,250 per room depending on the size of the city. I am glad to know that H. R. 4009 provides a uniform cost limitation of \$1,750. In order to meet the higher cost in some areas the public-housing authority would be authorized to increase cost limitations by not more than \$750 per room. This increase in cost limits is made necessary by the increased cost of construction today compared with 1937. It is also made necessary by the increased need for providing housing for large families. This is a situation that we must consider more and more realistically. We must keep it in mind not only in public housing but also in private housing with loans insured by the Federal Housing Administration.

I am sure that this committee has been reminded of the general prejudice against families with children in privately operated housing projects throughout the entire country. This is something to which we must constantly keep on calling the attention of the American people. It is one of the great threats to family life in our country. A recent report of the Baltimore Housing Authority showed that 173 units advertised for rent on a particular day, two-thirds had restrictions on children. In more than four-fifths of the 116 units with restrictions on children, no children at all were permitted and in the remaining fifth tenants were not accepted if they had more than one child.

#### BASIC OBJECTIVES OF PUBLIC HOUSING PROGRAM

In all the discussions of this bill as it moves through the Congress I hope it will be made clear that it is designed fundamentally to meet the housing needs of ordinary families with children, in the low-earning income brackets. The agencies charged with the administration of the program will also have to be steadily reminded of its fundamental objectives. The proper administration of this section of the bill would provide a constant reminder to privately financed and operated housing projects of the importance of adequate family housing facilities in the life of the Nation. This is a topic that calls for much greater attention than it is receiving at the present time. I wonder how one can house families in the 13-foot economy houses that are being built in a number of cities at the present time?

I would commend this topic for discussion and study by the National Association of Real Estate Boards, the National Association of Home Builders, and to the Producers' Council. I wonder how far their economy houses are designed to meet the need of our country.

There is a great deal of experience available in regard to the types of common activities carried on in normal American homes at the present time that would be invaluable in planning future housing programs. This is one of the fields that might be explored by the Housing and Home Finance Agency under the research program provided for in H. R. 4009.

#### PRESENT INCOME LEVELS FOR ADMISSION TO PROJECTS TOO LOW

From my observations of the operation of public housing projects I feel that the local



authorities have been quite conservative in setting the income levels necessary for admission to the projects as well as the levels necessary for continued occupancy. I feel that the income levels set in a great many communities are making it difficult for ordinary wage earners in the low-income brackets to secure admission to the projects. The income level in Chicago is \$2,100 a year. In Chicago, however, the lowest income for unskilled wage earners ranges around \$2,200. The highest income for admission to the housing projects in Cleveland is \$1,900, whereas unskilled wage earners in Cleveland are earning \$2,000 or more. Those in charge of the housing projects constantly emphasize the larger problems brought about by the increase in the number of relief families in the projects.

#### THE BALTIMORE HOUSING SANITATION AND REPAIR PROGRAM

Those who are opposed to public housing apparently have discovered a new substitute within the past week. For the million and fifty thousand public housing units provided for in H. R. 4009 they would substitute a large sanitation program similar to the one that has been in operation in Baltimore during the past 2 years. However, they underestimate the enormous difficulties involved in getting such a program under way. The propaganda leaves one with the impression that all that is necessary is for the city health departments to announce their determination to enforce rigidly their sanitary codes within the next few weeks and then go out and condemn all the houses that do not measure up to these codes. The question might readily be asked what will the city do with the people who are living in these unsanitary homes at the present time. The only reason why the codes are not being enforced is because housing is not available for the people who are living in the slums. Baltimore has been able to put over its program first because of the educational campaign conducted by the Baltimore Sun in 1945. As a result of this campaign the city health department was able to secure a staff in 1947 which took over the housing sanitation and repair program. It would have been an easy matter for them to have immediately gone out and condemned their 65,000 sub-standard housing units. Instead of this, they organized an educational program to get the owners to make repairs necessary to bring the houses up to minimum standards. They prevailed on them to cut down the old wooden fences in their back yards; then induced them to clean up the filth and refuse. In place of filthy back yards they have substituted play centers for the children. The old wooden fences have been replaced by wire fences inside of which the tenants have been encouraged to develop their own flower gardens.

In going over the houses that have been repaired under the leadership of the Baltimore Health Department one is impressed with the character of the houses—some were very well built originally and are still in good structural condition. This group represents the type of houses that will have to be used by Baltimore and other cities for many years to come. There is another type of house that was originally poorly constructed and was permitted to deteriorate through the years. Owners were receiving good incomes from these houses without making any repairs. The walls were very dirty, the roofs leaked, the stairways were rickety and unsafe. Many of them had no inside toilets. Under the housing sanitation and repair program these houses were given a minimum amount of repair. Inside toilets were built, stairways were made safe, roofs were repaired. In a number of instances the tenants were encouraged by what the landlords had done, to do excellent paint jobs on the houses. This has been one of the striking characteristics of the Baltimore program—the land-

lords have shown an interest in improving their houses and the tenants have been encouraged by their example to go them one better.

As I discussed the sanitation and repair program with a number of people in various sections of Baltimore, I met some home owners who have been influenced by the repair program in their neighborhoods to make improvements in their own properties. For instance, one home owner told me that the health department had ordered him to tear down the old wooden fence to the rear of his home. He said that he was going to build a new wire fence and have a flower garden like those of his neighbors. "You know," he said, "this neighborhood looks so much better. The people seem to be taking a pride in keeping it clean. The health department has done us a great service."

The housing sanitation and repair program in Baltimore has not been carried out by landlords without profit to themselves. They have had permission from the local rent control board to increase the rents. From what I could gather from my tour of inspection the increase in rents varied all the way from 20 to 75 percent. This represented a considerable increase but the tenants didn't seem to complain about it; they seemed to take the attitude that things were so much better, it was worth it.

The Baltimore program has been built on a solid educational foundation and the people in the city are interested in it. The city government has been wide awake to its possibilities. There has been very close collaboration on the part of the health department, the housing authority, and the police department in carrying out the program.

The Baltimore program should be studied by other cities in the United States. It has many possibilities. It has very distinct assets in the use of the existing housing resources. It cannot, however, by any stretch of the imagination, be regarded as a substitute for a long-range and greatly expanded public housing program such as is contemplated under H. R. 4009. Many of the houses that have been repaired will have to be torn down within a few years. They have really outlived their usefulness. The housing sanitation and repair program does not meet the acute housing shortage for the people in the low-income groups in Baltimore any more than it would meet their needs in any city in the United States. Baltimore has been going ahead with the slum-clearing program. It can and must redevelop home areas within its boundaries. A great many public improvements are being held up because there is no place to house the people that must be displaced by these improvements. The Baltimore program is to a very considerable extent a temporary device. It will make certain slum areas a little better until such time as the city is ready to provide new housing for their inhabitants. It has made owners of slum properties more conscious of their obligations to keep these properties in habitable condition. It has made the citizens more conscious of the serious housing conditions that have confronted them for many years.

#### FARM HOUSING

Farm housing is an essential part of any national housing program. We have slums in the country as well as in the city. We have some five million marginal farmers who have inadequate farms and inadequate farm equipment. We have large numbers of tenants and share croppers living under the most primitive conditions and operating under a one-crop economy. The Farmers Home Administration is making a far-reaching contribution in building up more adequate programs for marginal farmers. It is helping large numbers of tenant farmers to grow their own subsistence crops, to improve their agricultural methods, and to attain more security of tenure. Under the Bankhead-

Jones Act it is also helping to build up a program of farm ownership. The farm-housing title of H. R. 4009 will be a very useful addition to the program already administered by the Farmers Home Administration.

On the farm, the house occupies a different position from the one that it occupies in the city. In the country, the house in which the family lives is an essential part of the farm economy. Housing for the family cannot be separated from housing for livestock. Housing is an essential part of the farm plan. In the administration of the farm-housing section of H. R. 4009, the Department of Agriculture and the Farmers Home Administration will want to consider the farmers housing as part of an over-all plan. They will want to make sure that the farmer, in addition to proper housing, has an adequate amount of tillable land, that he is taking the necessary steps to build up his land, that he has adequate farm equipment, that he is developing adequate subsistence for his family and for his livestock. I am sure that in making grants or loans for the improvement of the homes of tenant farmers or share croppers the Administration will see to it that proper steps are taken for the improvement of the working conditions and standards of life of the tenants and the share croppers.

#### MIGRATORY AGRICULTURAL WORKERS

There is an aspect of farm housing which I am sure this committee is not overlooking. It involves the question of housing for nearly a million migratory agricultural workers who are engaged every year in harvesting quality fruit and agricultural crops. These workers are compelled each year to migrate long distances. They live in broken-down shacks that have been abandoned for many years or on the roadsides and in the ditches. They set up temporary shelters on the nearest available space.

In recent years the Government has erected some 52 permanent camps for migratory workers. Congress has now ordered the Department of Agriculture to dispose of these camps. In a number of places, the Department has leased the camps to local housing authorities or to farm owners and operators. I would recommend that the camps be turned over to the public housing authority in the Housing and Home Finance Agency, to be disposed of in the same way as the urban housing projects and the temporary housing projects built during the war.

#### SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

The title of this bill dealing with slum clearance and community development and redevelopment is bound to have a far-reaching influence on the future development of American cities and on American community life as a whole. We are all aware of the process of deterioration that has been at work in American cities in recent years. We know what the slums have meant in undermining family life and the welfare of American communities. Some progress has been made in recent years in the elimination of slums. Many cities have made considerable progress in improving their downtown areas. So far, however, American cities have not been able to make any far-reaching plans for their redevelopment.

While deteriorating at their centers, American cities have spread out over wider and wider areas. The cost of maintaining blighted areas has far exceeded the tax returns in these areas. The extension of the cities over larger areas has increased by leaps and bounds the cost of all utilities and services.

The increase of traffic in the past few years has really brought the problems of urban redevelopment to a crisis. It has necessitated the development of a larger number of high-



speed highways. It has meant the building of more bridges. These two developments have called for the elimination of a considerable number of housing units and cities have been compelled to take steps for the rehousing of the people displaced by these new improvements.

The demand for new hospitals and school facilities and for more playgrounds has made it necessary to eliminate a very considerable number of housing units. This also has presented cities with problems of relocation.

Since the war a great many new city developments have been held up because the cities had no means of relocating the people living in the areas.

In recent years an increasing number of our cities have been going ahead with plans for redevelopment.\* They have been using their right to acquire, by process of eminent domain, privately owned land for public purposes and also for resale to private builders. The slum-clearance and community development and redevelopment provisions of H. R. 4009 will therefore fulfill a long-felt need in American cities. The bill would permit the Federal Government to pay two-thirds of the difference between the present value of the land and its value after it has been cleared and made ready for rebuilding. It should be made clear in the legislative history of this bill that the land should be available for purchase not only for public housing, private housing, and general public facilities such as schools and recreation, but also for the facilities of voluntary groups including churches, private schools, and other facilities operated by voluntary groups that are regarded as part of the pattern of American community life.

#### PUBLIC HOUSING PROGRAM CONFINED TO LOW-INCOME GROUP

Title II of H. R. 4009 deals exclusively with low-rent public housing. It provides for a large-scale public-housing program to meet the needs of families in the lower-wage brackets. It should be made clear in all our discussions of this bill that public housing should be confined to low-income groups. I want to make it clear that I am absolutely and irrevocably opposed to public housing for middle-income groups. Now, if this is the intent of H. R. 4009, how can it be reconciled with section 506, dealing with the conversion of State low-rent or veterans' housing projects. As I understand it, these projects now are designed to serve the needs of the middle-income groups. Now, if H. R. 4009 is to enter into the field of housing for middle-income groups in the States in which these projects have been developed, why not in all the other States? In all our discussions of these projects in the States in which they have been set up, it was my understanding that they were to serve the needs of groups above those covered by low-rent public housing. I believe I have said enough to make my point of view clear about the desirability of converting State low-rent veterans' housing projects to make them available for assistance under H. R. 4009.

#### MEETING THE NEEDS OF MIDDLE-INCOME GROUPS

As I understand it, there has been virtually unanimous agreement among the public interest groups that have concerned themselves about housing, in regard to the program for middle-income groups. The representatives of the A. F. of L. and the CIO have made it clear that they do not want a subsidy for middle-income groups and I am sure that they are speaking for their members. They want Government to aid voluntary cooperative effort in this field. They want direct Federal loans on the basis of 100 percent of the value of the project; they want the going Federal rate of interest; they want a mortgage life of 60 years, or the useful life of the houses; they want an independent constituent agency within the framework of the Housing and Home Fi-

nance Agency. This program is being supported quite generally by public interest groups throughout the Nation. I want to add my support to it, and the support of the various social and charitable organizations of our church, for which I speak.

The committee already has a bill that was introduced by one of its members, Congressman BUCHANAN, of Pennsylvania, which pretty well represents the thinking of the public-interest groups in regard to middle-income families. The bill needs a few amendments in order to bring it up to date with the latest developments.

#### HOUSING RESEARCH

There seems to be universal agreement in regard to title III of H. R. 4009, dealing with housing research. All recent discussions of housing show the need for more research in the field. As I pointed out earlier, we need to have more research, not only on the technological aspects of housing, on methods of developing new materials, improved methods of building on site, but also on the characteristics of the housing supply, of the extent to which housing reached in recent years has been designed to serve the needs of families. We need more comprehensive local studies of housing; we need studies of the possibilities of voluntary cooperative effort in the housing field; we need more studies of rural housing as a part of a farm program and as a part of a constructive rural social program.

#### CITIZEN INTEREST IN HOUSING

One of the most encouraging signs of the times is the broadening of citizen interest in the housing field. This interest needs to be further stimulated on the local level. We need more and more interest on the part of the church in housing. It should be one of the important responsibilities of the various churches to stimulate more and more interest in constructive housing programs in their neighborhoods and in their communities.

#### LABOR'S INTEREST

It is encouraging to note the increased interest of labor in the housing field. It is naturally of vital concern to labor, as their participation is not only a contribution to their own members but also to the community as a whole. It is also encouraging to note the increasing interest of the veterans' organizations in constructive housing programs.

#### A CHALLENGE TO BUILDING ORGANIZATIONS

It is our hope now that the National Association of Real Estate Boards, the National Association of Home Builders, and the Producers' Council, as well as all the other building organizations, will join with labor and with the veterans' groups in promoting a cooperative housing program for middle-income groups. While they have opposed public housing for low-income groups, they have not been able to present any truly constructive suggestions on alternatives. Now they have an opportunity of joining with other groups in consigning public housing to its original objective and of struggling for the promotion of voluntary cooperative housing for the middle-income groups.

### Treatment of Youthful Offenders

#### EXTENSION OF REMARKS OF

**HON. KENNETH B. KEATING**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 7, 1949

Mr. KEATING. Mr. Speaker, the period in life between 16 and 21 years

of age is a focal source of crime. Thus, although those in this age bracket only constitute 15 percent of our population above the age of 15, they are responsible for about 36 percent of our robberies, 42 percent of our burglaries, and 53 percent of our automobile thefts. Boys from 17 to 21, inclusive, are arrested for major crimes (homicide, robbery, assault, burglary, larceny, and rape) in greater numbers than those of any other 5-year-age group. They are arrested for serious crimes three times as often as adults age 35 to 39 and six times as often as those 45 to 49.

More offenders are of age 21 than any other age. Twenty-year-olds come next and 19-year-olds next. Release from school with its attendant dislocations, vocational maladjustments, physical alterations, all these and other factors contribute to the result. Unquestionably, however, our existing methods of treating the criminally inclined youths are inadequate. Altogether too large a percentage of those released from existing reformatories and penal institutions ultimately become hardened criminals. Indeed, one sometimes wonders whether such institutions are not breeding places rather than burial grounds for criminal tendencies. Youth mixes with maturity, the novice with the old hand, the impressionable with the hardened. Substantial strides have been made in recent years toward a more scientific treatment of youthful offenders against Federal laws. Some classification and segregation of classes of delinquents is to be found. Through the effective work of probation officers, rehabilitation has frequently been effected. Nevertheless, much improvement along these lines is needed if we are to achieve anything approaching reasonable success in the solution of this important national problem.

To that end I have introduced today a bill to provide a comprehensive correction system for juvenile delinquents. It amends chapter 403 of title 18 of the United States Code, entitled "Crimes and Criminal Procedure," in the following principal respects:

The age of those subject to the provisions covering special treatment is raised from 18 to 21.

Under existing law, if a juvenile is found to be a delinquent and is committed to the custody of the Attorney General, the statute is silent regarding his treatment. This bill provides that the Attorney General shall establish classification centers and agencies. These centers shall make a complete study of each juvenile delinquent committed to the Attorney General, including a mental and physical examination, to ascertain his personal traits, his capacities, pertinent circumstances of his school, family life, any previous delinquency or criminal experience, and any mental or physical defect or other factor which may contribute to his delinquency. Within 30 days, the center shall forward to the Attorney General a report of its findings with respect to the juvenile delinquent and its recommendations as to his disposition.

It is further provided that these youthful offenders shall undergo treatment in







what the folks back home are thinking about. In order to follow this policy, I have attempted to make myself available to my constituents so they might discuss with me their views relative to national issues and also to give me the opportunity to be of service to them as their Congressman.

In accordance with my annual procedure, during the period of our official congressional recess, I plan to visit the six counties of the district. I have made arrangements to be at the courthouses of the county courthouses from 9 a. m. to 5 p. m., and have set forth the following schedule:

Monday and Tuesday, August 15 and 16, Ashland, Ashland County.

Wednesday and Thursday, August 17 and 18, Mansfield, Richland County.

Friday and Saturday, August 19 and 20, Mount Vernon, Knox County.

Monday and Tuesday, August 22 and 23, Delaware, Delaware County.

Wednesday and Thursday, August 24 and 25, Newark, Licking County.

Friday and Saturday, August 26 and 27, Coshocton, Coshocton County.

I have been most gratified with the results obtained in the past and interest shown by the number of constituents who have availed themselves of our conference plan.

No appointments are necessary, and I look forward to meeting a greater number this year, as I am certain we all have problems of personal and national interest to discuss, which will be of mutual benefit. I urge my constituents to confer with me on the date most convenient to them so that I may have their views, which will aid me in representing them in Congress.

Address by Hon. Stephen T. Early

#### EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1949

Mr. DOYLE. Mr. Speaker and colleagues, the evening of May 25, last, Mrs. Doyle, my executive secretary, Rene Sebring Smith, and I attended the conference here at Washington, of the President's Committee on Religion and Welfare in the Armed Services. The President himself attended and spoke inspiringly to the large number in attendance. He himself had appointed this important committee about a year before. The message of the President was printed in Washington daily papers the next day.

The following address by Hon. Stephen T. Early, Under Secretary of Defense is clearly a vigorous contribution to sound thinking and national decision. Mr. Early authorized me to place it to your attention. I am proud to do so.

ADDRESS BY HON. STEPHEN T. EARLY, UNDER SECRETARY OF DEFENSE

Mr. Chairman, distinguished guests, ladies and gentlemen, your presence here in the National Capital bears witness to the magni-

tude of your public spirit. This is reinforced by the fact that the civic task which brings you here carries with it no shout of headline, no great public acclaim. Your reward—for there is a reward—lies in the domain of the spirit; in the knowledge that the work to which you pledge yourselves will strengthen the moral basis of our military might by binding the military man more closely to his fellow citizen of the civil community.

Four years have passed since our great wartime forces were demobilized and reabsorbed in our national life. Four years have passed since we put the dark and bloody thought of war aside and turned again to the peaceful tasks of our fruitful land. But the brave new world of peace and brotherhood failed to materialize. Evil thrived and grew in the rubble of broken cities and in the desolation of ravaged countryside.

Country after country drowned in the dark tidal wave rolling outward to engulf the world. Our choice was clear but, nonetheless, hateful. What remained of the free world had to be preserved regardless of cost, regardless of sacrifice. Thus, once again another generation of young America began to move to the recruiting stations. Today that number stands at the unprecedented peacetime figure of 1,600,000. It should be a source of infinite pride to all of us that of this tremendous number only 30,000 were brought in under the Selective Service Act passed by the Congress last year. One million five hundred and seventy thousand are volunteers. No nation in the history of the world has ever produced a military establishment even approaching this size on a volunteer basis. This is a matter for pride, but it is also a matter for thought.

As a people, we are agreed that we must maintain a military establishment adequate to the evils of the day. But we are also agreed that we have small stomach for compulsory military service, if it is possible to avoid it, even in this dark and dangerous time. If we would avoid compulsion, then, we would be well advised as citizens to let our volunteers realize that we are proud of them, that we are proud of their hazardous stand at the outer edges of the free world, that we are proud of the uniform they wear. But pride is not enough. We must go beyond that. We must come to grips with the traditional neglect that has always characterized our conduct toward the serviceman in time of peace. We must come to grips with the social evils that stalk him in our civil communities. If we are to succeed in our attempts to maintain our armed forces under a volunteer system and if we are to attract the high-quality men we require, the American people must realize that they are dealing with a problem unique in our peacetime history.

Before all else, they should realize that the serviceman of 1949 bears little resemblance to the serviceman of 1929 or even of 1939. In the first place, he is much younger—nearly half of our men today are 21 or less; tens of thousands are only 17 or 18. In general, he comes from a good home with a good background. His educational attainments are at least double those of his prewar counterpart. He is alert, aggressive, ambitious, and questioning. He can be led but not driven. He expects an adequate and an intelligent explanation of the reasons underlying the things he is called upon to do. He is not content to vegetate as a private soldier or ordinary seaman; he is determined to climb and climb fast and, in typically American fashion, regards the unlimited-career opportunities of today's armed forces with vast approval. He is proud of himself, proud of his uniform, proud of his service. He is self-respecting and logically expects the respect of his fellow citizens. He is unwilling to be divorced from the context of citizenship and the social fabric of

his country. All in all, then, he differs greatly from the prewar professional who, all too frequently, turned to the service as a refuge from economic disaster or social failure. We would do well to make the differentiation and to keep that picture sharp and clear in our minds.

My second point, though obvious, carries with it a certain sense of shock. Personally, I think it should, for it drives home again the heavy civic obligation that rests with both our military and civilian leaders. Each year, some 400,000 men are being returned to the civil community after a substantial period of service. Last year the armed forces graduated twice as many men and women as our colleges and universities. This underlines the fact that by sheer numerical strength the National Military Establishment has become the greatest single educational force in our country. And it underlines the additional fact that we are rapidly building up a tremendous body of young citizens whose mental, moral, and social outlook has been shaped in considerable degree by the military.

This means that military training cannot be our sole objective. Our obligation to the Nation transcends that. We must make certain that these young men return to their homes better and more useful citizens, strengthened by self-discipline and fortified in the democratic faith.

Our military leaders are not only aware of their responsibility in this field but are moving with increasing vigor and imagination to meet the challenge it presents. During the course of this conference you will undoubtedly hear more of this from other speakers. My point is simply this: The problem presented cannot be and should not be met by the military alone. It is a matter of high priority concern to every American citizen, for at bottom it is their country, their freedoms, their institutions, and their sons who are intimately involved.

The opportunities for the civil community to assist in this essential undertaking are limited only by imagination and enterprise. It is not my intent to explore this richly rewarding field for Mr. Weil and his associates have examined the subject thoroughly and will present their views to you in due course. But I do wish to touch on several matters that appear to me to be of prime importance.

The serviceman is hungry for civilian contacts; as a matter of fact he has always been. But today he has greater opportunities to satisfy this hunger than ever before. In general he is free from Friday evening until Monday morning. Even the newest recruit draws \$75 a month and this \$75, plus train, plane, and bus, will carry him far and fast. Thus, every week end and virtually every city in our broad land is cast in the role of host to thousands of these young fighting men. For 5 days a week the military is responsible for the decent ordering of their lives; for the remainder of the week that responsibility devolves upon the civil community. If the better elements of our society fail to rise to this challenge, we may rest assured that those who battle on the young and lonely will take over. In my judgment, this moral responsibility of our civilian society should figure prominently in your counsels.

I have referred repeatedly to the great numbers of young men in our armed forces today. Therefore, it may strike you as something of a paradox when I say that a greater proportion of our servicemen are married than ever before. In 1938, 20 percent of our men were married; today that has increased to more than 30 percent. In great part these are the men who have decided to make military service a career; these are our professionals in the true sense of the word. They furnish the maturity and the stability we must have. They are our indispensable trainers. By them and through them we maintain the basic continuity of our military skills.



Since the war's end, this group has suffered great hardship by reason of our inflated economy, by rapid and unavoidable changes of station, but above all else by their inability to find adequate housing for their families. The conditions under which thousands of these devoted soldiers, sailors, and airmen live beggar description. The result is precisely the result that could be predicted. The morale of this group is rapidly breaking down. These, the men whom we can least afford to lose, we are losing at an alarming rate. Those who are trying to stick it out are low in spirit and preoccupied with the health and happiness of their families. Men in such frame of mind can scarcely be expected to bring enthusiasm and top-flight leadership to their organizations. As a matter of national security, this situation demands immediate attention; as a simple matter of humanity, it cries for it.

I trust that this conference will face that problem squarely and put it high on its agenda. Our National Government will not be able to meet the housing needs of its military men for years; in fact, if our armed forces remain at their present size, the Government may never be able to meet it. Therefore, we must look, as always, to the public spirit of our citizens for help.

The cities and towns close to our military installations can protect our service people from the rent gougers. That alone would be a major contribution. But they can do more than that. They can plan organized drives to find modest but decent living accommodations for the families of our men in unused space in private homes. In time of disaster, we are always able to find shelter for the homeless; surely we should be able to find shelter for those whose very presence is our greatest guaranty against unimaginable disaster.

The several matters I have touched on are obviously but a part of the great task that confronts us. Every American, in uniform or out, must share in that task. The stakes are too great to risk failure. Indeed, the consequences of failure are too dreadful for the freeman to contemplate. The evils that walk the world today cannot be met by eleventh-hour expedients, nor can they be contained by military might and material power alone. Today, as always, our military strength and our civic strength reside in the human heart, in the human spirit. Our fighting men derive their moral strength and their staying power from you, their fellow citizens. A military force that trains without a deep abiding belief in the country it is pledged to defend and without a firm conviction that it is held in the esteem and affection of its countrymen, will collapse at the first shock of battle. The standards of victory are planted in the heart of a military organization before that military organization ever engages in combat—or, there is no victory. May you address yourselves to this great undertaking with that thought in mind.

### An Answer to the False and Misleading Statements Regarding the Cost of the Housing Legislation

SPEECH  
OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1949

Mr. SABATH. Mr. Speaker, for 3 weeks an application for a rule has been pending before the Committee on Rules

relative to the much-needed country-wide low-cost housing and slum-clearance bill. Because of the misleading, yes, false statements issued and publicized by the real-estate lobby, the National Association of Manufacturers, and the Republican National Committee that have fed some of the Members with false, untrue, and adulterated statements as to the cost and need of this housing bill, I have been unable to report out a rule on this bill, notwithstanding the fact that the Committee on Banking and Currency of the House reported this bill by a vote of 14 to 7. All possible dilatory excuses and delays have been made, the last one occurring last week when a request was made by one of the Members for an opinion from the Bureau of the Budget.

#### STATEMENT FROM DIRECTOR OF THE BUREAU OF THE BUDGET

In conformity with the request as above-mentioned, I received the following statement from Hon. Frank Pace, Jr., Director of the Bureau of the Budget, which I shall include in my remarks in the hope that all the Members who recognize the needs of not only the veterans but of millions of other people seeking decent living accommodations, will read and digest it and obtain the true facts. This statement will positively refute the reckless statements made on the part of those who appeared before the Committee on Rules, expressing in the main, the opposition of all the interests against this legislation. The statement follows:

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
June 6, 1949.

Hon. A. J. SABATH,  
Chairman, Committee on Rules,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. SABATH: This is in reply to your letter of June 1, 1949, regarding H. R. 4009, a bill establishing a national housing policy and authorizing programs for slum clearance and urban redevelopment, low-rent public housing, housing research and farm housing. In your letter you inquire whether the bill has been approved by the Bureau of the Budget and ask three specific questions related to the financing arrangements contained in the proposed legislation.

With respect to your statement that "We can find no evidence in the record that this bill has been approved by the Bureau of the Budget," the following facts are deemed pertinent:

Page 35 of the printed hearings on H. R. 4009 before the House Committee on Banking and Currency contains a statement of the Housing and Home Finance Administrator that enactment of this legislation would be in accord with the program of the President. The Administrator was authorized to make this statement following a detailed review of the proposed legislation in the Executive Office of the President in consultation with other executive departments and agencies concerned. The Administrator, after similar review in the Executive Office, also advised the Committee on Banking and Currency in letters dated May 9 and May 10, 1949, that enactment of amendments transmitted with those letters (secs. 208, 508, and 509 in the present bill) would be in accord with the program of the President.

With respect to your three specific questions on financial arrangements, I have the following comments:

(1) You state that section 103 (b) authorizes the Administrator to enter into contracts to make capital grants of \$600,000,000

to local public agencies for slum clearance and urban redevelopment, pledging the faith of the United States to payment of such grants, and authorizing appropriations for this purpose, and inquire whether this subsection does not "in effect constitute an actual appropriation for future years which cannot be reviewed in any way by the proper appropriating committees of the House and Senate."

First, may I point out that section 103 (b) (p. 10, lines 15-16) specifically provides that total authorizations for capital grants shall not exceed \$500,000,000, rather than the \$600,000,000 stated in your letter.

Second, the provisions of section 103 (b) would not constitute an actual appropriation; they would, of course, constitute a firm commitment of the Federal Government. This type of commitment is not unusual where the Federal Government's role is one of assisting State and local agencies, and those agencies need a clear and definite basis for their financing and operating plans. Federal legislation authorizing grants for public roads contain examples of this type of commitment.

In the case of the proposed grants for slum clearance and urban redevelopment, municipalities and other local public agencies must enter into land purchase programs, make arrangements for land clearance and preparation for reuse, and secure the necessary legislative authority and funds for these purposes. For local public agencies to engage in such activities successfully they must have advance assurance, through commitments of the type authorized in this bill, that Federal funds will be available.

Furthermore, while the Appropriations Committees would not review the initial authorizations for these capital grants it would be inaccurate to say that they cannot review the appropriations in any way. Payment of these grants could be made only on the basis of specific annual appropriations, hence only after review by the Appropriations Committees. This review would surely include not only an examination of the amounts needed to carry out the contracts entered into under the act, but also an appraisal of the basic policies being followed in administering the program.

(2) You state that section 205 (a) authorizes contracts to make annual contributions to local public agencies for low-rent public housing aggregating not more than \$480,000,000 per year for 40 years, and inquire whether the Bureau favors making a binding commitment of this type for outright grants without any possibility of review in the next 44 years?

First, section 205 (a) (p. 41, lines 14-15) specifically limits total annual contributions authorized to not more than \$400,000,000 per year, rather than the four hundred and eighty million indicated in your letter. This means that the maximum could not exceed sixteen billion.

As a practical matter, however, the maximum annual contribution would not be paid either for the maximum number of years or at the maximum annual rate. Although the maximum number of years for which the Federal Government could contract to make annual contributions is 40, the actual number of years required in most, if not all, contracts would probably be considerably less. The number of years would depend upon the amount of principal repayment which could be made if a maximum annual contribution were required to be paid every year. The lower the rate of interest obtainable on the bonds issued by local housing authorities, the larger would be the amount remaining for debt retirement, and the sooner the debt could be retired. On the basis of expected interest rates, the contributions would run for 29 to 33 years, although 40 years is permitted under the bill, if necessary to meet changed conditions.



Moreover, the annual contributions actually paid in the average year would be substantially less than authorized in the bill. While each contract must pledge enough contributions each year to meet the debt service on the bonds outstanding the amounts of contributions actually paid each year under each contract would be limited to the cash deficits of the projects covered. In normal years the rent-paying ability of many low-income families would be higher than the minimum entrance standards, although still within the statutory requirements. The resulting higher rentals would mean higher income for the projects and smaller deficits, with correspondingly smaller Federal contributions. Under the present low-rent housing program in recent years, for example, only 25 to 30 percent of the maximum amount contracted for has been required. This is unusually low because of the war and post-war increase in incomes and rent-paying ability of tenants as compared to the increase in the operating costs of the projects. In an average year under the new program the contributions actually paid would probably not exceed 75 to 80 percent of the \$400,000,000 authorized, or roughly \$310,000,000. Thus, instead of requiring total contributions over the life of the program amounting to \$16,000,000,000, a reasonable estimate of the total amount actually required would be \$9,000,000,000 to \$10,000,000,000 over the period during which the annual contributions would actually be paid.

Second, a binding commitment is clearly necessary if we are to achieve the objective of assuring construction and operation of low-rent housing at minimum cost. Such an advance commitment is necessary not only for substantially the same reasons indicated above for slum clearance and urban redevelopment, but, in addition, in order to assure private financing at minimum interest rates. The legislation would authorize the pledging of the Federal contracts for annual contributions as security for the payment of interest and repayment of principal on obligations of local housing authorities. As the Housing and Home Finance Administrator pointed out in his testimony, the legislation contemplates that the bulk of the financing will be arranged privately on the security of these contracts. Maximum private financing can be arranged at minimum interest rates (with correspondingly lower requirements for Federal contributions) only if investors have full confidence that the interest and principal will be paid when due. Important amendments have been proposed in the present low-rent housing legislation, on the basis of experience, in order to remove any doubt of such payments. Thus the pending legislation would make more effective the basic principles authorized in the United States Housing Act of 1937.

As in the case of capital grants for slum clearance and urban redevelopment, it is not correct to assume that the bill would prevent "any possibility of review for the next 44 years." Appropriations to carry out the contracts would not be automatic, but could only be made after annual review by the Appropriations Committees to determine the minimum appropriations necessary. Under the existing low-rent housing programs contracts to make contributions are similar but not identical to those proposed in this bill. Appropriations to pay these contributions have been regularly reviewed by the Appropriations Committees and the amounts adjusted from time to time.

(3) Your third question asks whether it is "in accord with the President's program that Federal subsidies for low-rent housing should exceed by a considerable margin the entire construction cost of such housing." As a basis for this question you give an example which implies that it would be less expensive for the Federal Government to construct low-

rent housing projects and give them free of charge to the local housing authorities than to pay the annual contributions for a 40-year period authorized under title II.

I feel that both the example and the question result from a misconception of how the program would actually operate. The amount of the annual contributions permitted in each contract under the bill represents the maximum amount which might be necessary to assure repayment of the capital cost of the projects, plus interest at not to exceed 2½ percent. Under these circumstances, even if it proved necessary to pay the maximum contributions it would make no financial difference whether the Government built the projects or local public agencies built them (since 2½ percent, not 2 percent as cited in your example, is a proper estimate of the cost of long-term money to the Government). In other words, the maximum cost under the proposed program could not exceed the actual cost which would be involved in direct construction.

In fact, as I have already stated, the maximum annual authorizations of \$400,000,000, although necessary to insure private financing at the lowest cost, would not be paid either for the maximum number of years or at the maximum annual rate. A reasonable estimate of the total amount required over the life of the program would be \$9,000,000,000 to \$10,000,000,000, rather than \$16,000,000,000,000.

If these amounts are discounted at the same 2 percent interest rate employed in the example in your letter, the present value of the probable Federal contributions would not be \$11,300,000,000 as your example indicates, but roughly \$7,000,000,000. If discounted at the more appropriate long-term rate of 2½ percent, the present value of the probable Federal contributions would be roughly \$6,500,000,000.

Thus, as indicated above, the basic premise of your question "that Federal subsidies for low-rent housing would exceed by a considerable margin the entire construction costs of such housing," is in error. One reason why this legislation is in accord with the program of the President is that the method provided for financing the low-rent housing program would result in substantially lower costs to the Federal Government than would be required by direct Federal construction.

Sincerely yours,

FRANK PACE, Jr., Director.

ONLY \$9,000,000,000 TO \$10,000,000,000

Mr. Speaker, the statement has been made to the effect that the cost of this housing legislation will be from \$16,000,000,000 to \$20,000,000,000, and further, that the benefits will accrue to only 10 States. Mr. Pace's statement clearly shows that the total amount required over the life—the cost—of the program might be nine to ten billion dollars for 40 years rather than \$16,000,000,000, as I said before. Mind you—in 40 years, not more than \$9,000,000,000 to \$10,000,000,000, or approximately half of the cost as charged by the opposition.

FORTY-TWO STATES WILL BE BENEFICIARIES

The statement that only 10 States will benefit from this legislation is also untrue, unwarranted, and unjustifiable. The facts are that approximately 42 States will be the beneficiaries of this legislation. The opposition fails to state that 42 State governments, most of the governors, the Mayors' Conference, and civil and religious citizens' groups throughout the United States strongly urge and advocate the passage of this important legislation which has already been sanctioned and adopted by the Sen-

ate. The opposition has failed to point out the very significant fact that 10 States have paid into the coffers of the United States Treasury 65.57 percent, or nearly two-thirds, of the total internal-revenue collections for the year ending June 30, 1948. I insert herewith excerpts from the official Treasury Department, Bureau of Internal Revenue, report, as follows:

Total internal revenue collections for year ending June 30, 1948

	Percent of total revenue
New York, \$7,975,513,000-----	19.05
Illinois, \$3,785,815,000-----	9.04
Pennsylvania, \$3,222,789,000-----	7.70
California, \$3,103,679,000-----	7.41
Ohio, \$2,665,707,000-----	6.37
Massachusetts, \$1,347,084,000-----	3.22
Michigan, \$2,252,280,000-----	5.38
New Jersey, \$1,272,223,000-----	3.04
North Carolina, \$1,238,661,000-----	2.93
Indiana, \$1,011,921,000-----	2.4

Total for 10 States----- 65.57

Total collected in United States, \$41,864,542,000.

REPUBLICANS AND REPRESENTATIVES WHO REFUSE TO SEE OR HEAR

In the House, the opposition to granting this rule on the Housing bill emanates from the Republican National Committee, the National Association of Manufacturers, the real estate lobby and from the Representatives of agricultural and rural districts, notwithstanding the fact that for the past 10 years the Congress has appropriated for agriculture and our farmers on the average of \$1,500,000,000 annually, which is nine times, I repeat, nine times as much as this bill will approximately cost per year. I cannot emphasize strongly enough that we have appropriated for agriculture and the farmers nine times as much per year for the last 10 years as the Housing bill will approximately cost. I am inserting herewith figures as taken from the hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, Eighty-first Congress, first session, on the Department of Agriculture appropriation bill for 1950, part 1.

Appropriations for Agriculture, 1932-49

1932-----	\$214,000,000
1933-----	293,000,000
1934-----	626,000,000
1935-----	876,000,000
1936-----	707,000,000
1937-----	871,000,000
1938-----	936,000,000
1939-----	1,538,000,000
1940-----	1,642,000,000
1941-----	1,543,000,000
1942-----	1,603,000,000
1943-----	1,123,000,000
1944-----	1,185,000,000
1945-----	1,169,000,000
1946-----	1,251,000,000
1947-----	1,276,000,000
1948-----	1,226,000,000
1949 (passed House)-----	1,133,000,000

\$17,563,000,000 over 17-year period.

Includes amounts applicable to Department of Agriculture, but appropriated to other departments: Appropriations, subsidies, relief appropriations, etc.

Mr. Speaker, it is indeed regrettable and unfortunate for the country, that the representatives and beneficiaries of these tremendous agricultural appropri-



ations, contributions, grants, gifts, and subsidies oppose this needed housing legislation.

FIGURES WON'T LIE, BUT LIARS WILL FIGURE

"Figures won't lie, but liars will figure." How true the words of Gen. Charles H. Grosvenor, former Representative from Ohio are, for the carefully prepared figures of Mr. Pace, Director of the Bureau of the Budget, absolutely prove the falsity of the figures used by the opposition in an endeavor to kill this much-needed legislation, as I said before.

THESE SO-CALLED DEMOCRATS

Mr. Speaker, it is to be regretted that some Members elected as Democrats have and are aiding the Republicans in not reporting a rule to provide for the consideration of this bill. I wish to say, personally, I have done everything possible to obtain favorable action for the consideration of H. R. 4009, so that the Members of the House may be given the opportunity to vote on this most beneficial and much-needed legislation.

It is not my fault that I have not been able to get a majority of the members of the Committee on Rules to vote favorably in reporting a rule. It is my observation that the Republicans have cooperated with a few reactionary Dixiecratic Members who voted adversely, being opposed to the laudable purpose of the bill, and have thus far prevented the granting of a rule to bring the bill to the floor for consideration.

However, Mr. Speaker, I want to point out that under the liberalization and modification of the rules, which amendment I submitted at the beginning of the session and which passed the House, the bill will reach the floor for consideration on June 27, 1949, regardless of the action of the Committee on Rules, upon the discharge resolution which has been introduced and which will be submitted on that day by the chairman of the Committee on Banking and Currency, Mr. SPENCE, which committee originally reported the bill to the House.

### Housing Stall

#### EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1949

Mr. MULTER. Mr. Speaker, I commend to the attention of my colleagues the following editorial which appeared in the Washington Post on June 5, 1949:

HOUSING STALL

With Chairman SPENCE of the House Banking Committee moving to bypass the obstructionist Rules Committee, a vote on the housing bill now appears to be a certainty. That is good news, for failure of Congress to pass any comprehensive housing legislation at this session would not only undermine the hope of a vast number of poorly housed families, it would also be regarded as a repudiation of the pledges made in the last campaign by both major parties and would thus be a blow to confidence in popular government.

The Rules Committee has followed its traditional head-in-the-sand policy. When it received the housing bill from the Banking Committee 3 weeks ago, any well-informed citizen on the street could have told it that this was an important measure which should be sent to the floor promptly with a rule allowing ample consideration. A similar bill had passed the Senate by a vote of 57 to 13. But the committee stalled, held hearings for 3 days, and stalled some more. Its conduct seems especially unenlightened in view of the new rule which permits the Banking Committee to take its appeal directly to the House 3 weeks hence. One can only conclude that the Rules Committee majority has learned nothing from the revolt of last January against its tyranny.

The high-handed nature of the Rules Committee's action is illustrated by its probing into cost figures and the extent of the Government's obligation under the bill. These are problems for the committee reporting the bill, the Appropriations Committee, and the House itself. So far as we can see, they have nothing to do with the Rules Committee's function of routing measures to the floor in an orderly fashion.

As to the merits of the bill, we do not think that economy is the major issue. Of course, the total amount that is to be spent under this measure must be determined by the resources available. Even for the replacement of slums with decent housing for low-income families, expenditures must be kept within the limits of a sound fiscal policy. But that does not minimize the desirability of getting this program started—of getting a sound public housing act on the books. A long-range policy is envisaged under which the Government will help local communities to meet their slum problems. We think that policy is sound and practicable even though it may have to be inaugurated on a small scale compared to the need.

Nor is socialism the issue. Americans have never regarded it as socialistic to aid families who, by reason of misfortune or low income, are forced to live in squalor or unhealthful environment. The current housing bill is merely a means of making such help practicable. It is predicated on the belief that private enterprise should provide housing for all the families that it can possibly serve. Beyond its reach, however, are vast slum areas that must be wiped out by governmental effort to save our cities from an incredible burden of crime, delinquency, disease, and social malaise. Our highly integrated society cannot neglect this problem without risking its own health and stability.

### Treatment of Blind Children

#### EXTENSION OF REMARKS

OF

HON. M. G. BURNSIDE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 6, 1949

Mr. BURNSIDE. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the Charleston Gazette of May 25, 1949:

THAT THE BLIND MAY SEE

Bills have been introduced in the United States Senate and House of Representatives that would provide \$35,000,000 in Federal aid for physical examination of school children between the ages of 5 and 17. Very good, but not good enough.

That is also the opinion expressed by Representative M. G. BURNSIDE from the Fourth West Virginia District. He thinks the bill

ought to include all children, in and out of school.

Out of this stems an ambitious idea which we sincerely and enthusiastically endorse and believe can be accomplished if enough force is organized behind it. We believe from what he has said that Representative BURNSIDE would like to see repeated nationally a program for restoration of sight to blind children such as was carried out so successfully in West Virginia in 1936. Said Dr. BURNSIDE in a recent interview:

"A few years ago a program for treatment of blind children [in West Virginia] resulted in the saving of millions of dollars in the difference of cost of education in public schools and the cost in a school for the blind. These children were only discovered and treated after an intensive drive by public and private agencies. It was very simple in operation \* \* \*

"Of 948 [blind] children found and treated only 145 were found to be incurable. It was estimated that the restoration of sight to these children resulted in a dollar saving of \$3,167,900 in cost of education, \$8,020,000 in relief and \$16,020,000 in earning power."

The program was carried out by Maj. Francis W. Turner who at that time was director of the West Virginia Department of Public Welfare and chief of the children's bureau. Major Turner is now executive assistant to Representative BURNSIDE. The Gazette was privileged to aid in carrying out the West Virginia program. Now we suspect that Major Turner is trying again, though on a national scale this time, under the direction of Dr. BURNSIDE.

Since 1936 we have urged a number of times that the program that was so startlingly successful in West Virginia be adopted nationally, to include every State in the Union. Multiply what was accomplished in West Virginia by 66, we having about one sixty-sixth of the national population, and you begin to realize the great national possibilities. Multiply the cost in West Virginia (less than \$10,000) by 66 and you wonder how any Member of Congress or head of any department of Government could hesitate for a moment to provide the money for a national program and to get the plan into intensive operation quickly.

The most priceless possession of anyone is his sight. Large sums of money are spent in this country to help the blind to care for themselves, and various agencies work through publicity to teach people to take care of their eyes, but little if anything is done in an organized way to open the eyes of the curably blind.

We strongly urge Representative BURNSIDE to bear down on this program. No more worthy humanitarian project could be conceived.

And we strongly urge every Member of Congress to not only back up Representative BURNSIDE in his efforts but to devote their own efforts to and exercise their influence in promoting the cure of sightless children throughout the United States.

### Old-Age Security

#### EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1949

Mr. O'KONSKI. Mr. Speaker, the plight of the old people in the United States of America is one that from all







81ST CONGRESS  
1ST SESSION

# H. R. 5085

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1949

Mr. DAVIS of Georgia introduced the following bill; which was referred to the Committee on Banking and Currency

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## A BILL

To provide for slum clearance and the redevelopment of slum lands in private, tax-paying ownership according to the highest and best use, as far as possible; to provide housing for families of low income; to amend the Servicemen's Readjustment Act of 1944 to provide homes for veterans through veterans' homestead associations and the public facilities essential therefor; to provide for technical, statistical, and economic research in the field of housing; to provide financial assistance by the Secretary of Agriculture for farm housing; and to provide for the disposition of war housing.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Slum Clearance and
- 4 Housing Assistance Act of 1949".



1 TITLE I—ASSISTANCE TO STATES FOR THE AC-  
2 QUISSION AND REDEVELOPMENT OF SLUM  
3 LAND

4 SEC. 1. In order to assist any State to clear slum and  
5 blighted areas and to assist in protecting the public health,  
6 public morals, and the general welfare, the Federal Works  
7 Agency is authorized to make grants and loans as pro-  
8 vided in this Act.

9 SEC. 2. Any State is authorized to apply to the Federal  
10 Works Agency for grants and loans for the clearance of  
11 slum or blighted areas and said Agency is authorized to  
12 make such grants and loans as herein provided. Such loans  
13 and grants are to be used by the State to acquire title to  
14 slum and blighted land by purchase or process of condem-  
15 nation and to clear such acquired land for redevelopment  
16 insofar as possible for private taxpaying ownership accord-  
17 ing to the highest and best use of the land whether for  
18 commercial or industrial uses, housing, including apartments  
19 or single-family homes, parks, playgrounds, or appropriate  
20 public uses, as determined by a redevelopment plan for the  
21 area. The land when cleared shall be sold or transferred  
22 to an individual, partnership, cooperative, corporation, or  
23 other legal entity or public body agreeing to develop the  
24 land to its highest and best use in accordance with the  
25 redevelopment plan. The land cleared for redevelopment

1 shall be offered for sale free of tax or assessment liens or  
2 other incumbrances at a fair and reasonable price with due  
3 regard for the new use of the land. Sale of the land shall  
4 be handled in such a manner that the public interest will  
5 be protected. The State may use any of its corporate or  
6 other instrumentalities for the accomplishment of its said  
7 objectives.

8       SEC. 3. An applicant shall include in its application a  
9 description of the area which has been determined to be a  
10 slum or blighted area by an authority recognized by the  
11 State, together with a plan for the redevelopment of such  
12 area to its highest and best use whether public or private  
13 use in a manner consistent with any existing city plan or  
14 other plans for the use of land in such area and approved by  
15 such authority. Said redevelopment plan shall include a  
16 plan for roads and other public ways, public utilities, and  
17 a designated use under a zoning law or other land-use regu-  
18 lation or restriction for each tract of land in such redevel-  
19 opment area. Such application shall include an estimate of  
20 the cost of the land to be acquired and an estimate of all  
21 clearance costs and an estimate of the value of land as  
22 cleared under the use provided in the redevelopment plan.  
23 Said application and redevelopment plan shall provide for  
24 the conveyance of such lands with reasonable restrictions or  
25 conditions to assure the redevelopment of the same as con-



1   templated in such application and plans. The State shall  
2   show ability to pay in cash at a reasonable time one-half  
3   of the difference between the estimated acquisition and  
4   clearance cost and the estimated value of the land as cleared.  
5   The Federal Works Agency is authorized to make any in-  
6   vestigations it deems to be appropriate to determine the  
7   wisdom of the proposed clearance of such slum or blighted  
8   area and the reasonableness of the proposed use of such land.  
9   The application, estimates, and redevelopment plan may be  
10  amended from time to time.

11       SEC. 4. (a) The Federal Works Agency is authorized  
12  to grant an applicant a sum not in excess of one-half of the  
13  difference between the estimated total acquisition and clear-  
14  ance cost and the estimated sale or new-use value. Such  
15  grants shall be payable in a manner to assure that such funds  
16  are applied by the applicant to the purchase price and clear-  
17  ance cost of land in sum-clearance area.

18       (b) The Federal Works Agency is authorized to ad-  
19  vance to an applicant an amount equal to the estimated  
20  value of the land when cleared upon the condition that the  
21  entire proceeds of the sale of the land purchased, whether  
22  more or less than such advance, shall be paid to the Federal  
23  Works Agency in extinguishment of such advance and such  
24  amount shall be covered into the Treasury as miscellaneous  
25  receipts.

1        SEC. 5. No grants or loans as provided for in this title  
2 shall be made (1) until the applicant has shown the Fed-  
3 eral Works Agency that it is able to provide cash equal  
4 to one-half of the difference between the estimated total  
5 acquisition and clearance cost and the estimated sale or new-  
6 use value; (2) until the applicant has committed itself in  
7 a manner satisfactory to the Federal Works Agency in the  
8 application and plans submitted by the applicant or other-  
9 wise for the prompt clearance of such slum or blighted area  
10 and also for the prompt sale of the same upon an equitable  
11 basis, without discrimination and for the full new-use value  
12 of such lands and for the refund to the Federal Works  
13 Agency of the proceeds of such sale; and (3) unless it is  
14 shown that the State or the city or county in which said  
15 slum or blighted area is to be cleared has passed and is en-  
16 forcing a law or ordinance prohibiting the renting or oc-  
17 cupancy of residential property which is dangerous to health  
18 or unfit for occupancy by reason of its physical or sanitary  
19 condition.

20        SEC. 6. Families dispossessed by reason of the acqui-  
21 sition and clearance of land pursuant to this Act who are not  
22 able to obtain other suitable housing accommodations within  
23 their income shall be given immediate accommodations in  
24 any low-rent housing project receiving Federal subsidies un-  
25 der the United States Housing Act of 1937, as amended, or



1 otherwise or such dispossessed families shall be provided  
2 rental assistance for a reasonable period by the applicant as  
3 a condition for the receipt of grants and loans.

4 SEC. 7. No land the acquisition of which is assisted under  
5 this title shall be acquired by the applicant agency except  
6 after open public hearing following notice of the date, time,  
7 place, and purpose of such hearing published at least three  
8 times, not less than ten nor more than twenty days prior to  
9 the date of such hearing, in at least one English-language  
10 newspaper published in the municipality or municipalities  
11 within which any land proposed to be acquired is located,  
12 nor shall any land the acquisition of which is assisted under  
13 this title, be sold or otherwise disposed of except following  
14 similar open public hearing held following publication of the  
15 date, time, place and purpose thereof as above provided.

16 SEC. 8. There is hereby authorized to be appropriated  
17 to the Federal Works Agency (1) the sum of \$350,000,000  
18 for loans and grants under this title and (2) such sums as  
19 may be necessary for administrative expenses to carry out  
20 the purposes of this title. Not more than 20 per centum  
21 of the funds herein provided shall be expended in any one  
22 year and not more than 10 per centum of the total provided  
23 herein shall be allocated and expended in any one State.  
24 No commitments or grants shall be made obligating the  
25 United States Government to make disbursements or to

1 continue this program after June 30, 1954. Funds received  
2 in repayment of or as interest upon loans made pursuant to  
3 this title shall be covered into the Treasury as miscellaneous  
4 receipts.

TITLE II—HOUSING FOR FAMILIES OF LOW  
INCOME

SEC. 201. (a) In order to stimulate within the shortest possible time maximum production of housing for low-income families, the Internal Revenue Code is amended by inserting after section 124 thereof the following new section:

11 "SEC. 124A. AMORTIZATION DEDUCTIONS FOR RENTAL  
12 HOUSING FOR PERSONS OF LOW INCOME,  
13 AND FOR WHICH REAL ESTATE TAX EX-  
14 EMPTIONS ARE LOCALLY PROVIDED.

15       “(a) ISSUANCE OF CERTIFICATE.—The amortization  
16 deduction hereinafter provided shall be allowable only (i)  
17 with respect to a facility which by contract with the local  
18 legislative body of the municipality in which it is, or is to  
19 be, located has received exemption, for a period of at least  
20 ten years, from local and municipal taxes (other than assess-  
21 ments for local improvements) as to such part of the value  
22 of the property included in such facility which represents  
23 an increase over the assessed valuation of the real property,  
24 both land and improvements, acquired for the facility at the  
25 time of its acquisition by the taxpayer, and (ii) to the tax-



1 payer to whom a certificate that the dwelling units specified  
2 therein constitute a necessary rental housing facility is issued  
3 by the Federal Housing Commissioner. Such certificate  
4 shall find that said dwelling units are or will be of such  
5 character and will be rented at such rentals as in the judg-  
6 ment of said Commissioner are within the means of persons  
7 of low income who are unable to afford to buy or rent decent,  
8 safe, and sanitary housing then available. In order to assure  
9 that the facility shall be kept available for families of low  
10 income the taxpayer shall agree, as a condition to the issuance  
11 to him of such certificate, that no family shall be admitted  
12 to occupancy in any such facility unless such family shall  
13 be certified, by the local governmental agency administering  
14 public assistance or welfare in the locality, to be either  
15 receiving or entitled to receive public rent assistance or of  
16 such low income as to be unable to pay rentals then required  
17 for the economic occupancy of decent, safe, and sanitary  
18 housing in the locality. The Federal Housing Commissioner  
19 is authorized to revoke such certificate upon any violation  
20 of the conditions and specifications contained therein. Ap-  
21 plication for such certificate shall be filed with the Federal  
22 Housing Commissioner prior to the commencement of con-  
23 struction, alteration, or remodeling of the rental housing  
24 facility and such certificate shall be issued only to the person  
25 filing such application. The Federal Housing Commissioner

1 is hereby authorized from time to time to prescribe forms  
2 and regulations with respect to such certificates.

3 “(b) GENERAL RULE.—Every taxpayer, at his election,  
4 shall be entitled to an amortization deduction for a period  
5 of one hundred and twenty months with respect to any  
6 necessary rental housing facility defined in this section, for  
7 which facility a certificate issued by the Federal Housing  
8 Commissioner in accordance with this section shall then be  
9 in effect. Such amortization deduction shall be an amount,  
10 with respect to each month of such period within the tax-  
11 able year, equal to the adjusted basis (for determining gain)  
12 of the facility at the end of such month divided by one hun-  
13 dred and twenty plus the number of months (including the  
14 month for which the deduction is computed) remaining in  
15 the one-hundred-and-twenty-month period. Such adjusted  
16 basis at the end of the month shall be computed without  
17 regard to the amortization deduction for such month. The  
18 amortization deduction above provided with respect to any  
19 month shall be in lieu of the deduction with respect to such  
20 facility for such month provided by section 23 (1) (relat-  
21 ing to exhaustion, wear and tear, and obsolescence), but  
22 shall be allowable only if a deduction under section 23 (1)  
23 would otherwise be allowable for such month with respect  
24 to such facility. If such certificate is revoked by the Federal



1 Housing Commissioner for any violation of the conditions  
2 and specifications contained therein, the deduction shall not  
3 be allowable for any month ending after a violation upon  
4 which such revocation is based. The one-hundred-and-twenty-month period shall begin as to any such facility at the  
5 election of the taxpayer, with the month following the month  
6 in which the facility was completed, or with the succeeding  
7 taxable year.

9       “(c) ELECTION OF AMORTIZATION.—The election of  
10 the taxpayer to take the amortization deductions and to  
11 begin the one-hundred-and-twenty-month period with the  
12 month following the month in which the facility was completed shall be made only by a statement to that effect in  
13 the return for the taxable year in which the facility was  
14 completed. The election to take the amortization deduction  
15 and to begin such period with the taxable year succeeding  
16 such year shall be made only by a statement to that effect  
17 in the return for such succeeding taxable year.

19       “(d) DEFINITIONS.—As used in this section—

20               “(1) The term ‘necessary rental housing facility’  
21 means any rental housing facility with respect to which  
22 a certificate under this section is issued to the taxpayer.

23               “(2) The term ‘rental housing facility’ means—

24                       “(A) Any dwelling unit or units held by the  
25 taxpayer for rental purposes, the construction of

1       which is begun at any time on or after July 1,  
2       1949.

3       “(B) Any dwelling unit or units held by the  
4       taxpayer for rental purposes provided by the alter-  
5       ation or remodeling of an existing structure if such  
6       alteration or remodeling is begun at any time on  
7       or after July 1, 1949, and if such dwelling unit or  
8       units are in addition to the number of dwelling  
9       units contained in such structure prior to such al-  
10      teration or remodeling.

11      “(3) The term ‘dwelling unit’ means any dwell-  
12      ing unit containing its own kitchen and bath facilities.

13      “(4) The adjusted basis of any necessary rental  
14      housing facility shall include only so much of the  
15      amount otherwise constituting such adjusted basis as  
16      is properly attributable to the construction, or to the  
17      alteration or remodeling, covered in the certificate issued  
18      under this section. In no event shall the basis of the  
19      land on which such facility is located be included in such  
20      adjusted basis.

21      “(e) LIFE TENANT AND REMAINDERMAN.—In the  
22      case of property held by one person for life with remainder  
23      to another person, the deduction shall be computed as if  
24      the life tenant were the absolute owner of the property and  
25      shall be allowable to the life tenant.”



1       Section 23 (t) of the Internal Revenue Code is amended  
2 to read as follows:

3       “(t) AMORTIZATION DEDUCTION.—The deduction for  
4 amortization provided in sections 124 and 124A.”

5       (c) Section 172 of the Internal Revenue Code is  
6 amended by striking out “of emergency facilities”.

7       (d) Section 190 of the Internal Revenue Code is  
8 amended by inserting after “emergency facilities” the fol-  
9 lowing: “or necessary rental housing facilities”.

10       (e) The amendments made by this section shall be  
11 applicable to taxable years beginning after December 31,  
12 1948.

13       SEC. 202. (a) A certificate issued under the provisions  
14 of this title shall require that the taxpayer agree to give  
15 preference in occupancy as among families otherwise eli-  
16 gible to families of veterans and servicemen (including  
17 families of deceased veterans and servicemen).

18       (b) The term “veteran” shall mean a person who has  
19 served in the active military or naval service of the United  
20 States at any time on or after September 16, 1940, and  
21 prior to July 26, 1947, and who shall have been discharged  
22 or released therefrom under conditions other than dishonôr-  
23 able. The term “serviceman” shall mean a person in the  
24 active military or naval service of the United States who

1 has served therein on or after September 16, 1940, and  
2 prior to July 26, 1947.

3 TITLE III—VETERANS' HOMESTEAD

4 ASSOCIATIONS

5 SEC. 301. The Servicemen's Readjustment Act of 1944,  
6 as amended, is hereby amended by inserting immediately  
7 after section 510 thereof the following new sections:

8 "VETERANS' HOMESTEAD ASSOCIATIONS

9 "SEC. 511. (a) In enacting this section to alleviate  
10 the existing housing shortage, it is the intent of the Congress  
11 to provide means of ownership and financing, within the  
12 framework of our private enterprise system and without  
13 vast expenditures of public moneys, whereby veterans them-  
14 selves, associated together within their own communities,  
15 can build, buy, or rent homes upon terms which veterans  
16 can afford; and to provide the public facilities essential to such  
17 homes without the imposition of additional financial burdens  
18 upon veterans who may be owners thereof or tenants therein.

19 "DEFINITIONS

20 "(b) As used in this section, except where the contex  
21 otherwise requires, the term—

22 "(1) 'Association' means a veterans' homestead asso-  
23 ciation chartered pursuant to this Act.

24 "(2) 'Housing' means permanent type of housing; does



1 not include transient housing such as tourist cabins, motor  
2 courts, or apartment hotels; but may include multifamily  
3 dwellings or single-family dwellings, whether located on  
4 contiguous or scattered sites.

5 “(3) ‘Improve as applied to real property shall include  
6 (a) grading, landscaping, and any other site development;  
7 and (b) construction, repair, remodeling, or demolition  
8 (whether for salvage or reuse) of buildings and other struc-  
9 tures thereon.

10 “(4) ‘Real property’ means lands, whether or not im-  
11 proved, and any buildings or other structures thereon, in-  
12 cluding fixtures and personalty attached thereto.

13 “(5) ‘Public facilities’ includes public highways and  
14 parks, roads, streets, curbs, gutters, and sidewalks, bus  
15 stations and bus stops, water storage, purification and dis-  
16 tribution works, sewage, garbage and refuse collection, treat-  
17 ment and disposal facilities (including trunk and lateral  
18 sewers), fire stations, fire equipment and fire plugs, street-  
19 lighting facilities, schools, community centers, and recrea-  
20 tional facilities.

21 “(6) ‘Veteran’ means any person described under the  
22 provisions of subsection 500 (a) of this title.

23 “ORGANIZATION OF VETERANS HOMESTEAD ASSOCIATIONS

24 “(c) The Administrator is hereby authorized, subject to  
25 the provisions of this section and under such rules and regu-

1 lations as he may prescribe, to provide for the organization,  
2 incorporation, examination, operation, and regulations of  
3 associations to be known as 'veterans homestead associations',  
4 and to issue charters therefor in such form as he may pre-  
5 scribe, and to consent to the amendment of any such charter:  
6 *Provided*, That a certified copy of all such charters shall be  
7 filed in each county where such association operates.

8 "QUALIFICATION FOR MEMBERSHIP

9 "(d) Five or more veterans of ability, good character,  
10 and responsibility as determined by the Administrator, may  
11 apply for a charter hereunder. Each association shall deter-  
12 mine its own rules of eligibility for membership therein sub-  
13 ject only to the conditions that (1) membership shall be  
14 limited to veterans; (2) no veteran shall become or remain  
15 a member unless and until his accumulated payments to the  
16 association, in accordance with subsection (j) shall equal  
17 or exceed \$100; and (3) no veteran shall become a mem-  
18 ber of an association until he has executed and filed with  
19 the Veterans' Administration an affidavit to the effect that  
20 he is not a Communist and does not belong to any subversive  
21 organization.

22 "PRIMARY PURPOSE OF ASSOCIATIONS

23 "(e) Each organization shall be organized and shall  
24 operate on a nonprofit basis. It shall have as its primary  
25 purposes, (1) to acquire and improve real property to



1 provide housing to be sold to veterans for occupancy by  
2 themselves, personally, together with their families or de-  
3 pendants; (2) to acquire and improve and to operate and  
4 maintain real property to provide multiunit housing, includ-  
5 ing such commercial and community facilities as may be  
6 reasonably necessary or desirable to facilitate the use thereof  
7 for residential purposes, to be rented to veterans for occu-  
8 pancy by themselves, personally, together with their families  
9 or dependents; and (3) to acquire and improve, and to  
10 operate and maintain real property to provide multiunit  
11 housing, including such commercial and community facili-  
12 ties as may be reasonably necessary or desirable to facili-  
13 tate the use thereof for residential purposes, to be owned  
14 or held by the members of the association on a mutual or  
15 cooperative basis, to be occupied by themselves, personally,  
16 together with their families or dependents. To this end,  
17 and pursuant to rules and regulations issued by the Admin-  
18 istrator, each association shall provide maximum oppor-  
19 tunity and priority for the purchase or rental of such hous-  
20 ing, first to members of such associations, and second, to non-  
21 member veterans.

22 "NUMBER OF ASSOCIATIONS

23 "(f) The Administrator may, in his discretion, charter  
24 one or more associations in any locality; and he may, in  
25 his discretion, refuse to charter any proposed association upon

1 his finding that the veterans in the locality in which it is  
2 proposed that such association would operate are or will be  
3 adequately served by an association or associations then  
4 already chartered for operation in such locality.

5 "POWER OF VETERANS HOMESTEAD ASSOCIATIONS

6 "(g) Under rules and regulations issued by the Admin-  
7 istrator, each association shall have the following powers:

8 "(1) Subject to the provisions and limitations of this  
9 section, to purchase, or otherwise acquire, any real property  
10 or leasehold or other interest therein, whether improved or  
11 unimproved, to subdivide, construct improvements on, repair,  
12 modernize, renovate, maintain, and operate any such prop-  
13 erty, and to purchase, or otherwise acquire, any personal  
14 property necessary or desirable for any of the foregoing.

15 "(2) Subject to the provisions and limitations of this  
16 section, to hold, sell, or contract for the sale of, lease, rent,  
17 mortgage, or otherwise deal with, encumber, hypothecate,  
18 or dispose of any acquired property; all on such terms and  
19 conditions as may be deemed proper and consistent with  
20 other provisions of this Act: *Provided, however,* That so  
21 long as any association is obligated to the Administrator on  
22 account of advances or loans made under subsection (m)  
23 hereof no association may pledge, mortgage, or otherwise  
24 create a lien upon or encumber any real property to which



1 it holds title without the consent of the Administrator:  
2 *And provided further,* That each unit sold to or held in  
3 cooperative or mutual ownership by an eligible veteran shall  
4 be reported to the Administrator, who shall charge against  
5 such veteran's guaranty benefit the maximum amount so  
6 chargeable if a loan for the full purchase price or cost of such  
7 unit had been guaranteed or insured under this title, and  
8 shall pay an amount equivalent to 4 per centum of the  
9 amount so charged to the association to be credited upon the  
10 obligation of such veterans to the association, unless such  
11 charge and such payment are required to be made otherwise  
12 to finance the purchase of such unit.

13 “(3) To purchase, construct, improve, or otherwise  
14 provide, to receive grants for, and to maintain and operate  
15 public facilities (which shall include for this purpose gas and  
16 electric distribution lines and facilities) reasonably necessary  
17 or desirable for the housing provided by or of the association,  
18 where such public facilities are then not otherwise available  
19 for such housing: *Provided,* That no association shall operate  
20 any mercantile establishment or other commercial enterprise,  
21 or operate any amusement enterprise.

22 “(4) To borrow money as may be required within the  
23 purposes and limitations of this section, and to execute notes  
24 or other obligations therefor.

25 “(5) To build up and maintain reasonable reserves:

1 *Provided, however,* That such reserves shall not exceed in  
2 the aggregate 5 per centum of the total obligations of such  
3 associations outstanding from time to time.

4 “(6) To make, adopt, repeal, and amend bylaws; to  
5 employ and to pay reasonable salaries to, the employees of  
6 the associations for services performed. Employees need  
7 not be veterans.

8 “(7) To exercise such other powers, not inconsistent  
9 with this title, as are appropriate for the conduct of the  
10 business of the association.

11 “(8) To require that all officers and employees of the  
12 association who handle funds of the association be bonded  
13 by an approved surety company in an adequate amount.

14 “ANNUAL AND OTHER REPORTS OF ASSOCIATIONS

15 “(h) Every association shall file, with the Adminis-  
16 trator, not later than forty-five days after the close of its  
17 fiscal year, an annual financial statement and shall also  
18 furnish to him such other financial statements, at such other  
19 times as he may require. All such reports shall be in such  
20 form and in such detail as may be prescribed by the  
21 Administrator. The Administrator shall make, annually  
22 and at such other times as he deems necessary, an examina-  
23 tion of the financial books, records, and affairs of each asso-  
24 ciation, in the manner customary for supervision of fiduciary,  
25 institutions.



1                   “PAYMENTS BY ASSOCIATION MEMBERS

2           “(i) Members of an association shall not be required  
3 to pay dues. Each association shall provide in its bylaws  
4 for the payment by each prospective member of the sum of  
5 \$100 to be credited on the books of the association to the  
6 credit of such persons. The sums so paid shall not bear  
7 interest. Each such sum shall be entered on the books of  
8 the association as a credit to the member making such pay-  
9 ment for possible application either (1) as payment on a  
10 home purchased by such member from the association; or  
11 (2) as security for rent on a home rented from the asso-  
12 ciation by such member. Each association shall provide  
13 further, in its bylaws, that a member may voluntarily with-  
14 draw from such association at any time and may receive  
15 back an amount equal to the amount of his payment to the  
16 association (unless such payments shall have been applied  
17 as payment on a home purchased by such member from the  
18 association or is held by the association as security for the  
19 payment of rent), but only after one year following the  
20 date of the initial payment and then only upon sixty days’  
21 notice to the association.

22                   “LIMITATION ON COST AND AMOUNT OF HOUSING

23           “(k) No association shall purchase or improve, or con-  
24 tract for the purchase or improvement of, or otherwise ac-  
25 quire, any real property, unless, in the opinion of the Ad-

1   ministrator, (1) the estimated final cost of the proposed  
2   housing (exclusive of related real property designed for  
3   commercial operation), as determined by the amounts of  
4   firm contracts for the acquisition of real property, the im-  
5   provement thereof, the construction of buildings and the  
6   acquisition of related personal property, plus an amount equal  
7   to 5 per centum of such contracts plus an allocable share of  
8   the estimated indirect or overhead costs and expenses of the  
9   association, fairly attributable to such housing, will not ex-  
10   ceed a sum equal to the product of the number of family  
11   units in such housing multiplied by \$10,000; (2) such hous-  
12   ing will afford living accommodations for sale or rent to  
13   veterans at prospective prices or terms favorable in com-  
14   parison with any like or similar living accommodations cur-  
15   rently available in the locality; (3) the total number of units  
16   thereby provided will not be in excess of either the number  
17   of members of such association or the number of veterans in  
18   the community who may reasonably be considered, in the  
19   opinion of the Administrator, prospective purchasers of or  
20   tenants of such units.

21       "SALE OR RENTAL OF HOUSING OR REAL PROPERTY

22       "(k) (1) Subject to such exceptions as the Admin-  
23   istrator may approve, all real property of an association  
24   shall be sold or leased for such prices or at such rents, as  
25   the case may be, as shall reasonably represent the actual



1 cost thereof to the association, including (i) all costs of  
2 acquisition, construction, or improvement; (ii) interest on  
3 and amortization of obligations of the association fairly  
4 attributable to such housing; (iii) direct costs of operation  
5 and maintenance of such housing; and (iv) an allocable  
6 share of the overhead or indirect costs and expenses of the  
7 association fairly attributable to such housing, plus a reason-  
8 able contribution to the reserves to be built up and main-  
9 tained under subsection (h) hereof, nor shall any sale by  
10 an association of a commercial unit, or of a dwelling unit  
11 other than the sale of a cooperative interest in a multiunit  
12 structure, be financed by an association.

13       “(2) Any deed or other instrument made by an asso-  
14 ciation for the sale of its housing shall provide that such  
15 property shall not be conveyed or otherwise disposed of by  
16 the purchaser voluntarily within three years from the date  
17 of acquisition of such housing by such purchaser unless it  
18 shall first have been offered for sale back to the association  
19 at the original price paid to such association by such pur-  
20 chaser, less any depreciation which shall have occurred by  
21 that time and plus the fair value of any improvements which  
22 such purchaser shall have made to such property: *Provided,*  
23 That no association may use the property as security for  
24 additional loans after deed has been delivered to a veteran,

1 even though the association retains an interest in the  
2 property.

3 “(3) As a condition to every sale of housing by an  
4 association to a veteran, such veteran shall furnish to such  
5 association an affidavit stating that he has not theretofore  
6 purchased any housing from any association which has not  
7 been offered for sale back to the association and he does  
8 not own any housing acquired from any association char-  
9 tered under this title.

10 “(4) As a condition of every sale by an association to  
11 a veteran, such association shall furnish to such veteran an  
12 affidavit stating that no other veteran has purchased the  
13 property and if the property has been repurchased from a  
14 veteran by the association, the association will guarantee  
15 the title as free and clear of encumbrances, except those to  
16 be assumed by the new purchaser.

17 “(5) Every lease made by an association shall contain  
18 a prohibition against subleasing without the consent of the  
19 association.

20 “LOANS BY ADMINISTRATOR TO ASSOCIATIONS

21 “(1) The Administrator is authorized in his discretion  
22 to make either short-term or long-term loans to any associa-  
23 tion, upon either a secured or unsecured basis, for any of the  
24 purposes authorized by this section for which funds may be  
25 required by such association, including initial working cap-



1   ital and development expenses preliminary to the commence-  
2   ment of actual construction of housing. Advances made on  
3   a short-term basis may be refunded on a long-term basis,  
4   or may be repaid upon such terms and conditions as the  
5   Administrator may prescribe.

6       “(1) The interest rate charged to an association on  
7   any such borrowings shall not exceed such rate as may be  
8   fixed by the Administrator with the approval of the Secre-  
9   tary of the Treasury: *Provided*, That an association may  
10   obtain funds for its purposes by borrowings from private  
11   lending sources on such terms with respect to rates of  
12   interest, maturity, and other matters as it may agree upon.

13       “(2) Any loans so made by the Administrator, except  
14   as to advances made for interim or temporary purposes,  
15   shall be repaid—

16           “(i) within a period of forty years, if the proceeds  
17   of such loan are employed by the association to acquire  
18   or improve, and to operate and maintain, multi-unit  
19   structures to be rented;

20           “(ii) within a period of thirty-two years, if the  
21   proceeds of such loan are employed by the association to  
22   construct or to purchase, and to operate and maintain,  
23   multi-unit structures sold or held on a mutual or coop-  
24   erative basis;

25   *Provided*, That cash receipts incoming to an association by

1 reason of the sale of any other housing shall be transferred  
2 or paid to the Administrator for credit upon the obligations  
3 of the association to the Administrator. Each association  
4 to which any such loan may be made shall make, issue, and  
5 deliver to the Administrator, its note in the principal amount  
6 of such loan. Each such note shall be a nonnegotiable,  
7 unconditional obligation of the association, issued against its  
8 general credit, and payable from its general assets.

9 "TAX EXEMPTIONS

10 "(m) Notwithstanding any provisions of the Internal  
11 Revenue Code or any other law to the contrary, the net  
12 earnings of any association shall be exempted from all tax-  
13 ation now or hereafter imposed by the United States or by  
14 any State, county, municipality, or other local taxing  
15 authority.

16 "(n) Subject to the provisions of subsection (m) hereof,  
17 no State, county, municipal, or other local taxing authority  
18 shall impose any tax upon any such association or its charter  
19 and franchise, capital, reserves, property, surplus, loans, or  
20 income, greater than that imposed by such taxing authority  
21 on other similar local nonprofit associations.

22 "FUNDS OF ASSOCIATION

23 "(o) The funds of an association may, as provided by  
24 its bylaws and in accordance with rules and procedures  
25 issued by the Administrator, be deposited in any bank or



1 banks. No association shall invest its funds in any securi-  
2 ties except obligations of the United States of America, or  
3 obligations unconditionally guaranteed by the United States  
4 as to the payment of both principal and interest, or obliga-  
5 tions of a State, and, in any event no such investment shall  
6 be made except with the approval of the Administrator or  
7 pursuant to rules and regulations issued by him.

8 "DISTRIBUTION OF EARNINGS

9 "(p) At the end of any fiscal year any net earnings  
10 remaining to an association, after fully providing for the  
11 payment of all debts and obligations of such association, then  
12 due, and after providing for the reserves then currently re-  
13 quired, shall be set aside in a special account to be used  
14 (i) for the reduction by the association of its notes or other  
15 obligations then outstanding, or (ii) with the express ap-  
16 proval of the Administrator, for any other lawful purpose  
17 of the association.

18 "DISSOLUTION OF ASSOCIATIONS

19 "(q) (1) If the members or directors of any associa-  
20 tion shall knowingly violate, or knowingly permit any of the  
21 officers, agents, or servants of such association to violate any  
22 of the provisions of this section or of the rules or regulations  
23 issued thereunder, the charter, and all the rights, privileges,  
24 and franchises of such association shall be forfeited. Such  
25 violation shall, however, be determined and adjudged by a

1 proper district court of the United States in a suit brought  
2 for the purposes by the Administrator, in his own name,  
3 before such association shall be declared dissolved.

4 “(2) Any association may, at any time, apply to the  
5 Administrator for its voluntary dissolution, and if, in his  
6 judgment, adequate provision shall have been made for  
7 the payment in full of all debts and obligations of such  
8 association, he shall promptly effect such dissolution.

9 “(3) Upon any dissolution, whether voluntary or in-  
10 voluntary, the net assets of an association, remaining after  
11 payment in full of all its debts and obligations, shall be liqui-  
12 dated under the supervision of the Administrator and the  
13 proceeds thereof shall be covered into the United States  
14 Treasury as miscellaneous receipts.

15 “(r) In any event upon the maturity of all obliga-  
16 tions owing to the United States for the financing of prop-  
17 erties held for rent under this section, such properties shall  
18 be transferred and conveyed to the Administrator of Vet-  
19 erans' Affairs who shall dispose of them for the benefit of  
20 the United States and, after payment from the proceeds  
21 thereof of any other obligations of the association which it  
22 may be proper to so pay, shall cover the remaining proceeds  
23 into the Treasury of the United States as miscellaneous  
24 receipts.

25 “(s) The power of the Administrator to issue rules and



1 regulations for the effective implementation and adminis-  
2 tration of this section, pursuant to the provisions hereof  
3 and not in conflict herewith, shall include, but not by way  
4 of limitation, the power—

5 “(1) to provide such supervision of associations  
6 as he may deem necessary for the proper adminis-  
7 tration of this section;

8 “(2) to provide for the reorganization, consolida-  
9 tion, merger, or liquidation of any association or  
10 associations;

11 “(3) to appoint a conservator or a receiver to take  
12 charge of the affairs of any such association, and to  
13 require an equitable readjustment of the assets, liabilities,  
14 and surplus of the same; and to release any such  
15 association from such control and permit its further  
16 operation: *Provided*, That in any case where the Ad-  
17 ministrator appoints a conservator or a receiver for any  
18 associaiton, such conservator or receiver shall act pri-  
19 marily for the protection of the creditors of such  
20 association;

21 “(4) to delegate and authorize successive redelega-  
22 tion of any authority conferred upon him by or pursuant  
23 to this section, to any official or employee of the Vet-  
24 erans' Administration. The Administrator shall not act

1 through, or delegate any such authority to, any other  
2 agency or any official or employee thereof.

3 "CRIMINAL PROVISIONS

4 "(x) (1) Whoever, being connected in any capacity  
5 with an association (i) embezzles, abstracts, purloins, or  
6 willfully misapplies any moneys, funds, securities, or other  
7 things of value, whether belonging to it or pledged or  
8 otherwise entrusted to it; or (ii) with intent to defraud  
9 an association, or any other body politic or corporate, or any  
10 individual, or to deceive any officer, auditor, or examiner  
11 of the Veterans' Administration or of an association, makes  
12 any false entry in any book, report, or statement of or to  
13 the Veterans' Administration or an association, or, without  
14 being duly authorized, draws any order or issues, puts forth,  
15 or assigns any bond, note, or other obligation, or draft, mort-  
16 gage, judgment, or decree thereof, shall be guilty of a felony  
17 and punished by a fine of not more than \$10,000 or by  
18 imprisonment for not more than five years, or both.

19 "(2) Any veteran who willfully and knowingly makes  
20 any false statement in the affidavit required by section 511  
21 (1) (3) to be furnished by him to an association in con-  
22 nection with his purchase of housing from such association  
23 shall be guilty of a felony and punished by a fine of not more



1 than \$10,000 or by imprisonment for not more than five  
2 years, or both.

3 "MATURITY OF GUARANTEED OR INSURED LOANS

4 "(u) Notwithstanding the twenty-five-year limitation  
5 set forth in 500 (b) of this title, any loan made to a veteran  
6 for the purpose of purchasing a home from an association  
7 may have a maximum maturity not in excess of thirty-two  
8 years.

9 "TIME LIMITATION

10 "(v) The authority of the Administrator to issue charters  
11 to associations and to make loans to associations hereunder  
12 shall expire July 25, 1957.

13 "ADVISORY COUNCIL

14 "(w) There is hereby authorized to be established an  
15 advisory council to aid and advise the Administrator in the  
16 execution of his duties in relation to veterans' homestead  
17 associations. The council shall consist of the Administrator  
18 of Veterans' Affairs, who shall be Chairman; the Secretary  
19 of Agriculture; the Administrator of the Housing and Home  
20 Finance Agency; the Administrator of the Federal Works  
21 Agency; and six representatives of the public to be appointed  
22 by the Administrator of Veterans' Affairs, who shall be  
23 recognized leaders in the fields of finance, real estate, business  
24 administration, construction, labor, and housing. The mem-  
25 bers of the council shall not receive any compensation for

1 their services on the council, but the Administrator of Vet-  
 2 erans' Affairs is authorized to provide that the members  
 3 receive a reasonable per diem allowance for each day of  
 4 actual service, and in addition thereto be reimbursed for their  
 5 necessary traveling expenses while on the business of the  
 6 council.

7 "GRANTS FOR PUBLIC FACILITIES ESSENTIAL TO VETERANS'  
 8 HOUSING

9 "SEC. 512. (a) The Federal Works Administrator is  
 10 hereby authorized to make grants to States, political subdi-  
 11 visions thereof, other public bodies, and to associations for  
 12 the construction, repair, improvement, or extension of public  
 13 facilities wherever the Administrator of Veterans' Affairs  
 14 shall find that such public facilities are necessary for or will  
 15 facilitate the more effective use within the community of  
 16 housing provided and to be provided for veterans under  
 17 section 511 hereof.

18 "AMOUNT OF GRANT

19 "(b) The amount of any grant made hereunder shall  
 20 not exceed 50 per centum of the cost, as determined by the  
 21 Federal Works Administrator, of the public facilities pro-  
 22 vided therewith.

23 "GENERAL CONDITIONS OF GRANT

24 "(c) No grant shall be made hereunder unless—

25 "(1) the public facilities for which such grant is



1       made shall be determined by the Federal Works Ad-  
2       ministrator to conform to any applicable over-all State,  
3       local, or regional development plan approved by com-  
4       petent State, local, or regional authority; and

5       “(2) the public body or association to which such  
6       grant is made shall give assurance, satisfactory to the  
7       Federal Works Administrator, that (i) it will adequately  
8       maintain the public facilities for which such grant is  
9       made; (ii) the assessments or other charges which  
10      would otherwise be imposed for the provision of such  
11      public facilities will be reduced by an amount equal to  
12      the grant; and (iii) in the case of a public body, it will  
13      make available, for the housing for which such public  
14      facilities are provided, all other public facilities it then  
15      provides for other housing generally, and upon like  
16      terms and conditions.

17      “SPECIAL CONDITIONS OF GRANTS TO ASSOCIATIONS

18      “(d) No grant shall be made hereunder to any associ-  
19      ations unless (in addition to the conditions specified in sub-  
20      section 512 (c) here) —

21      “(1) the Federal Works Administrator shall deter-  
22      mine that the type of public facilities for which such  
23      grant is made are, under applicable local law or prac-  
24      tice, customarily provided in the first instance by real-  
25      estate developers or builders; and

1           “(2) such association shall agree to transfer such  
2   public facilities after completion, without compensation,  
3   to an appropriate local public body, if and whenever  
4   any such local public body may be willing to dedicate  
5   such public facilities to public use and to maintain them  
6   under the conditions specified in subsection 512 (c)  
7   hereof.

8                   “DELEGATION OF AUTHORITY

9           “(e) The Federal Works Administrator may delegate  
10   and authorize successive redelegation of any authority con-  
11   ferred upon him by or pursuant to this chapter to any offi-  
12   cial or employee of the Federal Works Agency.

13                   “PROVISION OF FUNDS

14           “SEC. 513. In order to carry out the provisions of this  
15   title there is hereby authorized to be appropriated the sum  
16   of \$50,000,000 for the purposes of section 512 and the sum  
17   of \$250,000,000 for the purposes of section 511.”

18                   TITLE IV—HOUSING RESEARCH

19           SEC. 401. (a) It is hereby declared to be the policy of  
20   the United States that the Department of Commerce shall  
21   be responsible for and it is hereby authorized to undertake  
22   technical, economic, and statistical research into, and studies  
23   of, housing in order to develop and encourage new and  
24   improved techniques in materials and methods of residential  
25   construction. Responsibility for statistics and technical



1 and economic matters arising in the course of their own  
2 operations shall remain with the respective operating agencies  
3 within the Housing and Home Finance Agency.

4 (b) To that end there shall be established in the Na-  
5 tional Bureau of Standards, within the Department of Com-  
6 merce, a Housing Research Unit which shall undertake  
7 and conduct a program of technical research. Such Unit, in  
8 order to promote reduction in housing construction costs, is  
9 also authorized to undertake research and studies coopera-  
10 tively with other agencies of the Government, with agencies  
11 of State or local governments, with educational institutions,  
12 or with nongovernmental research and technical organiza-  
13 tions. Contracts may be made by the Bureau, with the  
14 approval of the Secretary of Commerce, for technical re-  
15 search and studies authorized by this section for work to  
16 continue not more than four years from the date of any such  
17 contract. Notwithstanding the provisions of section 5 of the  
18 Act of June 20, 1874, as amended (31 U. S. C. 713), any  
19 unexpended balances of appropriations properly obligated  
20 by contract with organizations as provided in this subsection  
21 may remain upon the books of the Treasury for not more  
22 than five fiscal years before being carried to the surplus fund  
23 and covered into the Treasury.

24 (c) The Department of Commerce, through the Bureau  
25 of the Census and the Construction Division of the Bureau of

1 Foreign and Domestic Commerce, or such other bureau or  
2 bureaus within said Department as are now or hereafter may  
3 be designated for that purpose by the Secretary of Com-  
4 merce, shall conduct economic and statistical studies into the  
5 housing supply, its condition and characteristics, housing  
6 market data, the supply of building materials and equipment,  
7 housing costs, and other economic and statistical matters  
8 important to the home-building industry and to home owners  
9 of the United States in order to bring about increased pro-  
10 duction, reduction in costs and improvement in methods of  
11 home construction and marketing.

12 SEC. 402. There are hereby authorized to be appro-  
13 priated such sums as may be necessary to carry out the pur-  
14 poses of this title.

## 15 TITLE V—FARM HOUSING

### 16 FINANCIAL ASSISTANCE BY THE SECRETARY OF

#### 17 AGRICULTURE

18 SEC. 501. (a) The Secretary of Agriculture (herein-  
19 after referred to as the "Secretary") is authorized, subject  
20 to the terms and conditions of this title, to extend financial  
21 assistance, through the Farmers Home Administration, to  
22 owners of farms in the United States and in the Territories  
23 of Alaska and Hawaii and in Puerto Rico and the Virgin  
24 Islands, to enable them to construct, improve, alter, repair,  
25 or replace dwellings and other farm buildings on their farms



1 to provide them, their tenants, lessees, share croppers, and  
2 laborers with decent, safe, and sanitary living conditions and  
3 adequate farm buildings as specified in this title.

4 (b) For the purpose of this title, the term "farm" shall  
5 mean a parcel or parcels of land operated as a single unit  
6 which is used for the production of one or more agricultural  
7 commodities and which customarily produces or is capable  
8 of producing such commodities for sale and for home use of a  
9 gross annual value of not less than the equivalent of a gross  
10 annual value of \$400 in 1944, as determined by the Secre-  
11 tary. The Secretary shall promptly determine whether any  
12 parcel or parcels of land constitute a farm for the purposes  
13 of this title whenever requested to do so by any interested  
14 Federal, State, or local public agency, and his determination  
15 shall be conclusive.

16 (c) In order to be eligible for the assistance author-  
17 ized by paragraph (a), the applicant must show (1) that  
18 he is the owner of a farm which is without a decent, safe,  
19 and sanitary dwelling for himself and his family and nec-  
20 essary resident farm labor, or for the family of the operat-  
21 ing tenant, lessee, or share cropper, or without other farm  
22 buildings adequate for the type of farming in which he en-  
23 gages or desires to engage; (2) that he is without suffi-  
24 cient resources to provide the necessary housing and build-  
25 ings on his own account; and (3) that he is unable to

1 secure the credit necessary for such housing and buildings  
2 from other sources upon terms and conditions which he  
3 could reasonably be expected to fulfill.

4 LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

5 SEC. 502. (a) If the Secretary determines that an  
6 applicant is eligible for assistance as provided in section 501  
7 and that the applicant has the ability to repay in full the  
8 sum to be loaned, with interest, giving due consideration to  
9 the income and earning capacity of the applicant and his  
10 family from the farm and other sources, and the mainte-  
11 nance of a reasonable standard of living for the owner  
12 and the occupants of said farm, a loan may be made by the  
13 Secretary to said applicant for a period of not to exceed  
14 thirty-three years from the making of the loan, with interest  
15 at a rate not to exceed 4 per centum per annum on the  
16 unpaid balance of principal.

17 (b) The instruments under which the loan is made and  
18 the security given shall—

19 (1) provide for security upon the applicant's equity  
20 in the farm and such additional security or collateral,  
21 if any, as may be found necessary by the Secretary  
22 reasonably to assure repayment of the indebtedness;

23 (2) provide for the repayment of principal and  
24 interest in accordance with schedules and repayment  
25 plans prescribed by the Secretary;



(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed ten years by improvement or enlargement of the farm or an adjustment of the farm prac-

1 tices or methods; and (c) that the applicant has adopted  
2 and may reasonably be expected to put into effect a plan  
3 of farm improvement, enlargement, or adjusted practices  
4 which, in the opinion of the Secretary, will increase the  
5 applicant's income from said farm within a period of not to  
6 exceed ten years to the extent that the applicant may be  
7 expected thereafter to make annual repayments of principal  
8 and interest sufficient to repay the balance of the indebted-  
9 ness less payments in cash and credits for the contributions  
10 to be made by the Secretary as hereinafter provided, the  
11 Secretary may make a loan in an amount necessary to  
12 provide adequate farm dwellings and buildings on said farm  
13 under the terms and conditions prescribed in section 402.  
14 In addition, the Secretary may agree with the borrower to  
15 make annual contributions during the said ten-year period  
16 in the form of credits on the borrower's indebtedness in an  
17 amount not to exceed the annual installment of interest and  
18 50 per centum of the principal payments accruing during  
19 any installment year up to and including the tenth install-  
20 ment year, subject to the conditions that the borrower's  
21 income is, in fact, insufficient to enable the borrower to  
22 make payments in accordance with the plan or schedule  
23 prescribed by the Secretary and that the borrower pursues  
24 his plan of farm reorganization and improvements or enlarge-  
25 ment with due diligence.



1        This agreement with respect to credits of principal and  
2 interest upon the borrower's indebtedness shall not be assign-  
3 able nor accrue to the benefit of any third party without  
4 the written consent of the Secretary and the Secretary shall  
5 have the right, at his option, to cancel the agreement upon  
6 the sale of the farm or the execution or creation of any  
7 lien thereon subsequent to the lien given to the Secretary,  
8 or to refuse to release the lien given to the Secretary except  
9 upon payment in cash of the entire original principal plus  
10 accrued interest thereon less actual cash payments of prin-  
11 cipal and interest when the Secretary determines that the  
12 release of the lien would permit the benefits of this section  
13 to accrue to a person not eligible to receive such benefits.

14 OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVE-  
15 MENTS TO FARM HOUSING AND BUILDINGS

16        SEC. 504. In the event the Secretary determines that an  
17 eligible applicant cannot qualify for a loan under the pro-  
18 visions of sections 502 and 503 and that repairs or improve-  
19 ments should be made to a farm dwelling occupied by him,  
20 or his tenants, lessees, sharecroppers, or laborers, in order  
21 to make such dwelling safe and sanitary and remove hazards  
22 to the health of the occupant, his family, or the community,  
23 and that repairs should be made to farm buildings in order  
24 to remove hazards and make such buildings safe, the Secre-  
25 tary may make a grant or a combined loan and grant, to the

1 applicant to cover the cost of improvements or additions,  
2 such as repairing roofs, providing toilet facilities, providing  
3 a convenient and sanitary water supply, supplying screens,  
4 repairing or providing structural supports, or making other  
5 similar repairs or improvements. No assistance shall be  
6 extended to any one individual under the provisions of this  
7 section in the form of a loan or grant or combination thereof  
8 in excess of \$1,000 for any one farm or dwelling or building  
9 owned by such individual, or in excess of \$2,000 in the  
10 aggregate to any one such individual, and the grant portion  
11 with respect to any one farm or dwelling or building shall  
12 not exceed \$500. Any portion of the sums advanced to the  
13 borrower treated as a loan shall be secured and be repayable  
14 in accordance with the principles and conditions set forth in  
15 this title. Sums made available by grant may be made sub-  
16 ject to the conditions set out in this title for the protection of  
17 the Government with respect to contributions made on loans  
18 by the Secretary. In the case of such loan or grant with  
19 respect to a farm not occupied by the owner of the land, the  
20 Secretary may, as a condition precedent to the grant, require  
21 that the landowner enter into such stipulations and agree-  
22 ments with the Secretary and the occupants of the farm as  
23 will make it possible for the occupant to obtain the full bene-  
24 fit of the grant.



## 1 TECHNICAL SERVICES AND RESEARCH

2 SEC. 505. In connection with financial assistance au-  
3 thorized in sections 501 to 504, inclusive, the Secretary shall  
4 require that all new buildings and repairs financed under this  
5 title shall be substantially constructed and in accordance  
6 with such building plans and specifications as may be re-  
7 quired by the Secretary. Buildings and repairs constructed  
8 with funds advanced pursuant to this title shall be super-  
9 vised and inspected, as may be required by the Secretary,  
10 by competent employees of the Secretary. In addition to  
11 the financial assistance authorized in sections 501 to 504,  
12 inclusive, the Secretary is authorized to furnish, through  
13 such agencies as he may determine, to any person, including  
14 a person eligible for financial assistance under this title, with-  
15 out charge or at such charges as the Secretary may deter-  
16 mine, technical services such as building plans, specifications,  
17 construction supervision and inspection, and advice and in-  
18 formation regarding farm dwellings and other buildings.  
19 The Secretary is further authorized to conduct research and  
20 technical studies including the development, demonstration,  
21 and promotion of construction of adequate farm dwellings  
22 and other buildings for the purposes of stimulating construc-  
23 tion, improving the architectural design and utility of such  
24 dwellings and buildings, utilizing new and native materials,  
25 economies in materials and construction methods, new meth-

1 ods of production, distribution, assembly, and construction,  
2 with a view to reducing the cost of farm dwellings and  
3 buildings and adapting and developing fixtures and appur-  
4 tenances for more efficient and economical farm use.

5 PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED  
6 SERVICEMEN

7 SEC. 506. As between eligible applicants seeking assist-  
8 ance under this title, the Secretary shall give preference to  
9 veterans and the families of deceased servicemen. As used  
10 herein, a "veteran" shall be a person who served in the land  
11 or naval forces of the United States during any war between  
12 the United States and any other nation and who shall have  
13 been discharged or released therefrom on conditions other  
14 than dishonorable. "Deceased servicemen" shall mean men  
15 or women who served in the land or naval forces of the  
16 United States during any war between the United States  
17 and any other nation and who died in service before the  
18 termination of such war.

19 LOCAL COMMITTEES TO ASSIST SECRETARY

20 SEC. 507. (a) For the purposes of this subsection and  
21 subsection (b) of this section, the Secretary may use the  
22 services of any existing committee of farmers operating  
23 (pursuant to laws or regulations carried out by the Depart-  
24 ment of Agriculture) in any county or parish in which activi-  
25 ties are carried on under this title. In any county or parish



1 in which activities are carried on under this title and in which  
2 no existing satisfactory committee is available, the Secretary  
3 is authorized to appoint a committee composed of three per-  
4 sons residing in the county or parish. Each member of such  
5 existing or newly appointed committee shall be allowed com-  
6 pensation at the rate of \$5 per day while engaged in the per-  
7 formance of duties under this title, and, in addition, shall be  
8 allowed such amounts as the Secretary may prescribe for  
9 necessary traveling and subsistence expenses. One member  
10 of the committee shall be designated by the Secretary as  
11 chairman. The Secretary shall prescribe rules governing the  
12 procedures of the committees, furnish forms and equipment  
13 necessary for the performance of their duties, and authorize  
14 and provide for the compensation of such clerical assistance  
15 as he deems may be required by any committee.

16 (b) The committees utilized or appointed pursuant to  
17 this section shall examine applications of persons desiring  
18 to obtain the benefits of this title and shall submit recom-  
19 mendations to the Secretary with respect to each applicant  
20 as to whether the applicant is eligible to receive the benefits  
21 of this title, whether by reason of his character, ability, and  
22 experience, he is likely successfully to carry out under-  
23 takings required of him under a loan or grant under this  
24 title, and whether the farm with respect to which the appli-  
25 cation is made is of such character that there is a reason-

1 able likelihood that the making of the loan or grant requested  
2 will carry out the purposes of this title. The committees  
3 shall also certify to the Secretary their opinions of the rea-  
4 sonable values of the farms. The committees shall, in ad-  
5 dition, perform such other duties under this title as the  
6 Secretary may require.

7           GENERAL POWERS OF SECRETARY

8       SEC. 508. (a) The Secretary, for the purposes of this  
9 title, shall have the power to determine and prescribe the  
10 standards of adequate farm housing and other buildings,  
11 by farms or localities, taking into consideration, among other  
12 factors, the type of housing which will provide decent,  
13 safe, and sanitary dwelling for the needs of the family using  
14 the housing, the type and character of the farming opera-  
15 tions to be conducted, and the size and earning capacity  
16 of the land.

17       (b) The Secretary may require any recipient of a loan  
18 or grant to agree that the availability of improvements con-  
19 structed or repaired with the proceeds of the loan or grant  
20 under this title shall not be a justification for directly or  
21 indirectly changing the terms or conditions of the lease or  
22 occupancy agreement with the occupants of such farms to  
23 the latter's disadvantage without the approval of the  
24 Secretary.



## ADMINISTRATIVE PROVISIONS

SEC. 509. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose

1        farms have been acquired by the Secretary, in cases  
2        where the Secretary determines that the original  
3        borrowers have cooperated in good faith with the  
4        Secretary, have farmed in a workmanlike manner,  
5        used due diligence to maintain the security against  
6        loss, and otherwise fulfilled the covenants incident  
7        to their loans, to the best of their abilities;

8        (d) collect all claims and obligations arising out of  
9        or under any mortgage, lease, contract, or agreement  
10       entered into pursuant to this title, and, if in his judgment  
11       necessary and advisable, to pursue the same to final col-  
12       lection in any court having jurisdiction: *Provided*, That  
13       the prosecution and defense of all litigation under this  
14       title shall be conducted under the supervision of the  
15       Attorney General and the legal representation shall be  
16       by the United States attorneys for the districts, respec-  
17       tively, in which such litigation may arise and by such  
18       other attorney or attorneys as may, under law, be  
19       designated by the Attorney General;

20       (e) bid for and purchase at any foreclosure or  
21       other sale or otherwise to acquire the property pledged  
22       or mortgaged to secure a loan or other indebtedness  
23       owing under this title, to accept title to any property so  
24       purchased or acquired, to operate or lease such property  
25       for such period as may be necessary or advisable, to



1 protect the interest of the United States therein and to  
2 sell or otherwise dispose of the property so purchased  
3 or acquired by such terms and for such considerations  
4 as the Secretary shall determine to be reasonable and  
5 to make loans as provided herein to provide adequate  
6 farm dwellings and buildings for the purchasers of such  
7 property;

8 (f) utilize with respect to the indebtedness arising  
9 from loans and payments made under this title, all the  
10 powers and authorities given to him under the Act  
11 approved December 20, 1944, entitled "An Act to  
12 authorize the Secretary of Agriculture to compromise,  
13 adjust, or cancel certain indebtedness, and for other  
14 purposes" (58 Stat. 836), as such Act now provides  
15 or may hereafter be amended;

16 (g) make such rules and regulations as he deems  
17 necessary to carry out the purposes of this title.

18 SEC. 510. In order to carry out the provisions of this  
19 title there is hereby authorized to be appropriated the sum  
20 of \$400,000,000.

## 21 TITLE VI—DISPOSITION OF WAR HOUSING

### 22 DEFINITIONS

23 SEC. 601. For the purposes of this title—

24 (1) The term "Administrator" means the Federal  
25 Works Administrator.

1       (2) The term "Lanham War Housing Act" means the  
2 Act entitled "An Act to expedite the provision of housing  
3 in connection with national defense, and for other purposes",  
4 approved October 14, 1940, as amended.

5       (3) The term "war housing" means any interest, owned  
6 by the United States and under the control of the Housing  
7 and Home Finance Agency, in (a) housing (other than  
8 temporary housing) acquired or constructed under the Lan-  
9 ham War Housing Act, under the Second Supplemental  
10 National Defense Appropriation Act, 1941 (Public, Num-  
11 bered 781, Seventy-sixth Congress), as amended, under the  
12 Urgent Deficiency Appropriation Act, 1941 (Public Law 9,  
13 Seventy-seventh Congress), or under the Second Deficiency  
14 Appropriation Act, 1944 (Public Law 375, Seventy-eighth  
15 Congress), and (B) such other property as is determined  
16 by the Administrator to be essential to the use of such  
17 housing.

18       (4) The term "veteran" means (A) any person in the  
19 active military or naval service of the United States during  
20 the present war, or (B) any person who served in the active  
21 military or naval service of the United States at any time  
22 on or after September 16, 1940, and prior to the termination  
23 of the present war, and who has been discharged or released  
24 therefrom under conditions other than dishonorable after  
25 active service of ninety days or more or by reason of an



1 injury or disability incurred in service in line of duty.

2 (5) The term "dwelling" means a war housing build-  
3 ing designed for residential use of one or more families.

4 (6) The term "dwelling unit" means a dwelling, or that  
5 part of a dwelling, which is designed for residential use of  
6 one family.

7 TRANSFER OF WAR HOUSING TO FEDERAL WORKS

8 ADMINISTRATION

9 SEC. 602. (a) The functions of the Housing and Home  
10 Finance Agency with respect to war housing are hereby  
11 transferred to the Administrator.

12 (b) There are hereby transferred to the Administrator,  
13 to be used or held in connection with the exercise of the  
14 functions transferred by this section, (1) the records and  
15 property used or held on the date of the enactment of this  
16 Act in connection with such functions, and (2) so much of  
17 the unexpended balances of appropriations, allocations, or  
18 other funds available for use by the Housing and Home  
19 Finance Administrator or the Housing and Home Finance  
20 Agency in the exercise of such functions as the Director of  
21 the Budget shall determine.

22 SALE OF WAR HOUSING

23 SEC. 603. (a) All war housing (except mortgages,  
24 liens, or other interests as security) transferred to the Ad-  
25 ministrator by section 602 shall, subject to the provisions of

1 this Act, be sold for cash as expeditiously as possible and  
2 not later than December 31, 1950. Wherever practicable  
3 each dwelling in a war housing project shall be offered for  
4 sale separately from other dwellings in such project. Any  
5 mortgage, lien, or other interest as security transferred to  
6 the Administrator by section 602 or acquired by him under  
7 this Act pursuant to a contract entered into prior to Feb-  
8 ruary 26, 1947, may, subject to the provisions of this section,  
9 be sold for cash.

10 (b) (1) Except as provided in paragraph (2) of this  
11 subsection, the price to be paid for war housing sold under  
12 this Act shall be a price not less than the reasonable value  
13 thereof at the time of the offer for sale as determined by  
14 appraisal made by an appraiser or appraisers designated by  
15 the Federal Housing Administrator.

16 (2) The price to be paid for any mortgage, lien, or other  
17 interest as security sold under this section shall be a price  
18 not less than the unpaid principal (plus accrued interest  
19 thereon) of the obligation with respect to which the mort-  
20 gage, lien, or other interest as security is held.

21 (c) Except as provided in subsections (a) and (b),  
22 the sale of war housing under this Act shall be with or with-  
23 out warranty and upon such other terms and conditions as  
24 the Administrator deems proper.



# 1 TRANSFER OF WAR HOUSING TO THE WAR OR NAVY

## 2 DEPARTMENTS

3        SEC. 604. Notwithstanding the provisions of this Act or  
4 any other provision of law, the Administrator may, in his  
5 discretion, upon the request of the Secretaries of War or  
6 Navy, transfer to the jurisdiction of the War or Navy De-  
7 partments any war housing situated within the proximate  
8 vicinity of any permanent Army or Navy Establishment and  
9 which requests were on file April 15, 1949.

## 10 PREFERENCES

11 SEC. 605. (a) Preference in the purchase of any dwell-  
12 ing designed for occupancy by less than five families shall  
13 be granted to veterans and their families and to occupants  
14 over other prospective purchasers of such dwelling in the  
15 following order:

16 (1) A veteran and his family who occupy a dwell-  
17 ing unit in the dwelling to be sold.

(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling pur-

1        chased by such corporation, association, or society.

2            (3) A nonveteran who occupies a dwelling unit  
3        in the dwelling to be sold.

4            (b) In the case of any war housing project where it is  
5        not practicable to offer each dwelling for sale separately from  
6        other dwellings in the project and in the case of any dwelling  
7        designed for occupancy by more than four families, preference  
8        in the purchase thereof shall be granted first to any private  
9        corporation, association, or cooperative society which is the  
10       legal agent of veterans who intend to occupy the war hous-  
11       ing purchased by such corporation, association, or society,  
12       and second to any city, village, town, county, or other  
13       political subdivision, or public agency or corporation (includ-  
14       ing a housing authority), in whose area of jurisdiction or  
15       operation any such dwelling is located.

16            (c) The Administrator shall give such notice in such  
17        manner as he deems reasonable to enable prospective pur-  
18        chasers who have a preference under this section in the pur-  
19        chase of war housing to exercise such preference. Any  
20        prospective purchaser having a preference under subsection  
21        (a) in the purchase of any dwelling may apply for the pur-  
22        chase of such dwelling (1) if the preference is under para-  
23        graph (1), within thirty days after the date of the notice of  
24        the offer for sale, (2) if the preference is under paragraph  
25        (2), within sixty days after the date of the notice of the



1 offer for sale, and (3) if the preference is under paragraph  
2 (3), within ninety days after the date of the notice of the  
3 offer for sale. Any corporation, association, or society hav-  
4 ing a preference under subsection (b) in the purchase of  
5 any war housing may apply for the purchase of such housing  
6 within one hundred and eighty days after the date of the  
7 notice of the offer for sale.

8 **SALES WITHOUT PREFERENCE**

9 **SEC. 606.** If any dwelling or war-housing project is  
10 not sold to a purchaser who is granted a preference under  
11 section 605 and who applied within the time prescribed in  
12 subsection (c) of such section, such dwelling or war-housing  
13 project shall be sold as provided in this Act without regard  
14 to any preferences granted under section 605 and without  
15 regard to any restrictions contained in any other law as to  
16 whom war housing may be sold.

17 **TITLE OF PURCHASER**

18 **SEC. 607.** A deed or other instrument executed by or  
19 on behalf of the Administrator purporting to transfer title  
20 or any other interest in property under this Act shall be  
21 conclusive evidence of compliance with the provisions of the  
22 Act insofar as title or other interest of any bona fide pur-  
23 chasers for value is concerned.

24 **VALIDITY OF CONTRACTS**

25 **SEC. 608.** Nothing in this title shall be deemed to im-

1 pair or modify any contract entered into prior to the effec-  
2 tive date of this title for the sale of property, or any term  
3 or provision of any such contract, without the consent of  
4 the purchaser or his assignee, if the contract or the term  
5 or provision thereof is otherwise valid.

6 DISPOSITION OF PROCEEDS

7 SEC. 609. Moneys derived by the Administrator from  
8 the disposition of war housing under this title shall be avail-  
9 able to the Administrator, as additions to the sum stated  
10 in section 8 of title I of this Act, for all the purposes of  
11 said title. So much thereof as shall not be used by the  
12 Administrator for purposes of said title shall be covered  
13 into the Treasury as miscellaneous receipts.



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## A BILL

To provide for slum clearance and the redevelopment of slum lands in private, tax-paying ownership according to the highest and best use, as far as possible; to provide housing for families of low income; to amend the Servicemen's Readjustment Act of 1944 to provide homes for veterans through veterans' homestead associations and the public facilities essential therefor; to provide for technical, statistical, and economic research in the field of housing; to provide financial assistance by the Secretary of Agriculture for farm housing; and to provide for the disposition of war housing.

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By Mr. DAVIS of Georgia

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JUNE 9, 1949

Referred to the Committee on Banking and Currency

of the ballots which have been sent to my office to date is as follows:

No. 1. A straight 10-percent cut in all Federal expenditures that can be cut. In favor, 3,055; against, 9,197.

No. 2. Secretary of Agriculture Brannan's farm plan, the cost of which Secretary Brannan himself is unable to estimate. (Senator BYRD did not estimate the cost, but others have suggested figures up to \$10,000,000,000 a year for this subsidy.) In favor, 9,140; against, 3,155.

No. 3. The so-called national health plan. (This calls for increased pay-roll taxes. Senator BYRD, referring to it as "socialized medicine," estimated a \$10,000,000,000 annual cost.) In favor, 9,153; against, 3,131.

No. 4. The Federal housing program recently enacted by the Senate. (The cost of the low-rent feature alone amounts to a possible \$20,000,000,000 over 40 years, according to Senator BYRD, even if it is not later expanded.) In favor, 9,241; against, 3,015.

No. 5. Federal aid to education, costing \$300,000,000 the first year. (Senator BYRD doesn't believe the cost would ever be that low again.) In favor, 9,415; against, 2,783.

No. 6. The ECA program costing \$5,500,000,000 for the coming year. (This is chiefly aid to Europe under the so-called Marshall plan.) In favor, 9,745; against, 2,391.

No. 7. Arms for the North Atlantic Pact, to cost something over \$1,000,000,000 in the coming year. (Mr. BYRD thinks that estimate is too low.) In favor, 9,769; against, 2,270.

No. 8. Increased income and pay-roll taxes that Senator BYRD says will be necessary to carry out the President's many recommendations for more spending. In favor, 9,132; against, 3,138.

I think that the results of this poll was about as revolting and surprising to the Omaha World-Herald as the results of the last election.

The popularity of our President and the popularity of his programs are gaining by leaps and bounds in my congressional district of Nebraska, and I am indeed very happy about it.

Today the House appropriated additional sums for congressional help and expenses and the extreme right wing lobbyists and their employers, and some radio commentators and some newspapers are responsible for the necessity of this additional appropriation, and yet they will blame Congress for not practicing economy.

In a succeeding article I shall endeavor to give more minute attention to the business of the Omaha World-Herald's private balloting venture and discuss its unfair attitude after it was roundly trounced once again by the people of my district.

## Housing and Slum Clearance

### EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 9, 1949

Mr. DAVIS of Georgia. Mr. Speaker, adequate housing, low-rent housing, and slum clearance are problems which vitally concern all of us. The housing problem affects many groups and reaches into nearly every section of our

country. It affects not only city dwellers, but residents of the small towns and rural areas. It affects industrial workers, white-collar workers, veterans, and farmers.

Need of housing existed when Capt. John Smith landed at Jamestown, and when the early settlers landed at Plymouth Rock. In those days, without Government aid of any kind, the individual supplied his own housing. Need for housing has continued in a greater or lesser degree throughout the intervening years, down to the present moment.

Up to this time the American people have not taken the position that it is the responsibility of the Federal Government to build homes for the citizens. We have felt that the Government should, within reasonable bounds, lend a helping hand to the citizen who aspires to build or buy a home, and this has been done to a great extent by making credit available to the prospective home owner. This method encourages individual initiative and thrift on the part of the citizen. He has the prideful feeling that, being a home owner, he has a stake in the United States of America, its present, and its future. The phenomenal growth of America, and the high standard of living we have achieved, have centered attention on the housing problem.

There is great room for improvement. As one who desires to see this improvement take place, I feel that it is an impossibility for the Government to meet the expense involved, should we embark upon a Nation-wide public-housing program such as is contemplated in House bill H. R. 4009.

Our public debt is now approximately \$252,000,000,000. We are threatened with a deficit in this year's budget. Revenues are likely to decrease with decreasing business.

Individual experience has shown that frequently one must deny himself greatly needed articles, when his financial condition will not permit their purchase. A man who is greatly in debt, and whose income is diminishing, cannot always buy everything he and his family would like to have. To do so often means bankruptcy. The same is true with a Nation.

I am firmly convinced that we cannot embark at this time upon a new program of long-term lavish spending. I fear we have already made more commitments than our resources and our economy will support in the years to come.

I feel that we need a decrease in spending instead of an increase. I feel that we need a decrease in taxation, instead of an increase.

Economy and thrift are just as much virtues today as they have ever been, and these virtues are sorely needed in our Government at this moment.

While I would like as much as anyone to see modern housing provided for everyone who needs or wants it, the first question is, "Are we able to do it?"

I do not believe the taxpayers of America can finance the nearly \$20,000,000,000 spending program which is called for in House bill 4009.

As an alternative, I have introduced today House bill 5085, which is a comprehensive housing bill to provide Fed-

eral assistance for slum clearance; provide housing for families of low income; provide for veterans' homestead associations; provide for housing research; provide for loans and grants for farm housing, and provide for the orderly disposition of war housing. A short analysis of H. R. 5085 is as follows:

Title I, Slum Clearance: This title provides for grants and loans to States for the acquisition and clearance of slum land for redevelopment. The loans will be limited to estimated reuse value of the land, and are to be repaid out of the money realized from the sale of the cleared land. The grants are limited to one-half the difference between acquisition cost and reuse value, with the State supplying the remaining one-half. The cleared land is to be sold or transferred to private or public ownership in accordance with a redevelopment plan which recognizes the highest and best land use, including commercial or industrial uses, housing, parks, and playgrounds. The program would be administered by the Federal Works Agency. Total loans, grants, and expenses of not more than \$350,000,000 are authorized under this title.

This slum-clearance title has these following merits: (1) It is direct and straightforward in the amounts to be spent and does not involve long-term commitments or continuing contributions; (2) continuing jurisdiction of Congress is maintained. Congress can periodically review this program and exercise its judgment in continuing or expanding the program; (3) it separates the administration of the slum-clearance program from the agencies involved in the public ownership of housing and apartments ideology controversy.

Title II, Housing for Families of Low Income: This title presents a plan to obtain production of rental housing in volume for lower-income families by private capital. The plan has two features: (a) It requires the State or city to abate all real-estate taxes on the improvements made under this title, that is to say, the taxes are "frozen" at the current level for a period of at least 10 years; (b) the Federal Government permits an increase up to 10 percent for a period of 10 years for depreciation deductions which it allows for Federal income-tax purposes.

The plan is available only in cases where the Federal Housing Administration issues a certificate certifying that the project will be available at rents suitable for families of low income, and to further assure this result it is required that tenants be limited to families who are certified by local authorities to be eligible because of the fact that they are either receiving rent relief or are not able to afford to pay an economic rent. It is believed that under this plan private capital can provide housing at rents ranging from \$50 a month downward, even at present cost levels. Under the plan preference in occupancy is given to veterans.

Title III, Veterans' Homestead Associations: This title provides for the formation of veterans' homestead associations with the assistance of Federal loans in the amount of \$250,000,000. It is sim-



ilar to the Veterans' Homestead Act, H. R. 4488, proposed last year and sponsored by the American Legion.

The veterans' associations formed under this act would obtain long-term loans from the Veterans' Administration at very reasonable rates for the construction of low- and medium-priced homes for sale or rent to veterans of World War II. Individual purchasers would finance their homes through local financing institutions and the homestead associations could finance cooperative or mutual housing for veterans of World War II over a 32-year period. The Federal Works Administration is authorized to make 50-percent grants for streets, water, and sewer facilities where these are not available in a total amount of \$50,000,000.

**Title IV, Housing Research:** This title provides for an extensive program of housing research pointed toward development of improved construction materials and methods and the reduction of housing costs. The program would be conducted in the Department of Commerce, with the cooperation of other Government and private research agencies.

**Title V, Farm Housing:** This title provides for grants and loans for farm housing to be administered by the Secretary of Agriculture. Three types of assistance are provided: (1) For self-sustaining farms, 33-year, 4-percent loans, where adequate private financing is not available; (2) for potentially self-sustaining farms, 33-year loans, with supplemental annual contributions available for not more than 10 years; (3) for farms with no practical prospect of being self-sustaining, grants and loans to repair, and rehabilitate the farm housing. Loans of \$325,000,000 and grants of \$75,000,000 are authorized.

This title is similar to title IV of H. R. 4009, but provides slightly larger authorizations and contains some minor improvements recommended by the National Grange.

**Title VI, Disposition of War Housing:** This title provides for the orderly disposition of war housing and the return of this housing to private, tax-paying ownership as contemplated by the Congress in Public Law 671 (Lanham Act). The net proceeds from the sale of this housing would become available for further slum clearance under title I.

#### David Marcus

#### EXTENSION OF REMARKS

OF

**HON. ABRAHAM J. MULTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 9, 1949

Mr. MULTER. Mr. Speaker, on June 10, 1948, a brave American soldier gave his life in the State of Israel defending there the principles of liberty that all true Americans cherish so dearly.

The following articles appear in the current issue of the *Light*, a magazine published by the Wall Street Synagogue of New York:

IN MEMORY OF COL. MICHAEL DAVID MARCUS  
(By Yan Kov Dory Rav Aluff, Chief of Staff,  
Israel)

I vividly recollect my first encounter with Colonel Marcus. It took only a brief introduction to plunge us into a heated discussion on military problems; it seemed to me then that I had known him for years. I was impressed with his friendly eyes and his jovial face. Such a fellow's heart, I thought, must be radiating kindness and overflowing with human understanding.

I wondered at the time what brought this remarkable personality, bordering on military genius, to our comparatively little country. He certainly could not have been looking for a more ambitious career, or for a larger halo of glory than he had during the Second World War. Among his many vital tasks in that global struggle he had been a member of the Allied Staff which drafted the German surrender and also served as adviser to President Roosevelt at the Yalta Conference. What greater fame could there be for him?

No, Colonel Marcus had an inner call which urged him to come here. I knew from the first meeting with him on Israeli soil that this was no adventurer merely looking for new outlets for his boundless energy. A long dormant sentiment for his people was awakened in his heart with the outbreak of war on the Judean hills. Actually, he had only a vague idea of what had been achieved here during the last 30 years. Zionism was an abstract term for him. Brought up in the military tradition, both through his father and grandfather, as well as through his own studies at West Point, he was unlike so many other military men, imbued with romantic intuition.

In his youth, his grandmother taught him how to pray. She asked him to insert a coin every Friday evening into the blue box for charity purposes in the Holy Land, and finally she made him promise that he would bring her over to Jerusalem toward the end of her life in order that she might die there. These comparatively minor aspects of the Jewish ritual imprinted themselves indelibly on his mind.

Endowed with imagination, he could secretly cherish in his heart a dream of a people yearning for independence and freedom.

Then he suddenly realized that he had something to contribute to his people's regeneration in the historic fatherland. His imagination was enkindled with the past. He felt proud that he would be following in the footsteps of Joshua, the son of Nun, Samson, David, and Bar Chochba. It was apparent that he felt proud to be supreme commander on the Jerusalem front than he would have felt had he been appointed as supreme commander of any other part of the world.

I was privileged to meet Colonel Marcus many times during his short period of service with Israel. He was my closest adviser in many occasions, and in informal discussions. I admired his judgment, vision, and inspiring way of argument. With those personal attributes and his realistic approach to military problems, he made an outstanding contribution to the perfection of Israel's war machine.

Colonel Marcus made himself one of the most popular commanders among the rank and file, endearing himself to all those who came in contact with him. He brought with him the liberal tradition of American fraternity among comrades-in-arms, as opposed to the strict military regime of the Junker's pattern. His prestige was thus enhanced sevenfold. His men knew him by his nickname—Micky. Although a complete blackout was imposed at the time on all matters relating to high-rank officers, especially as far as "foreign" officers were concerned,

Colonel Marcus was universally known as the legendary American Colonel Stone.

During his comparatively short stay in Israel he concentrated his efforts on two different fronts. At first he served with the "Negev Rats" down south, but his military stature was mainly revealed through the campaigns on the Jerusalem front, which aimed at opening the Jerusalem-Tel-Aviv road.

Colonel Marcus loved the country and its youth. As it will be remembered he obtained formal leave from the American Army before arriving in Israel. After a few months stay here it was necessary for him to return to the United States of America and Mr. Ben Gurion, the Secretary for Defense, was afraid that he might be unable to come back to Israel again. Colonel Marcus assured him: "Don't worry. I shall return even if I have to swim back."

He became deeply attached to the youth of Israel. He learned to admire their courage, devil-daring, and perseverance. He was reputed to have stated that such human material could not be found anywhere else in the world. He saw Jewish youth fighting against tremendous odds with fortitude, valor, and utter self-confidence. He had absolute faith in them. Once he said: "If there were enough war material, we could be in Amman within the next 24 hours." He was no mere dreamer. He based his conclusions on what he had seen; and when he saw our youth in battle he understood what Dr. Herzl said in his play "The Ghetto: My Jewish brethren, they will let you live only when you learn how to die."

Nobody has as yet sung the hymn of praise to Israeli youth. They are awaiting a Hebrew to rise and record their heroic epopee in the struggle for independence.

Nor has the time come to evaluate the extent of American Jewry's contribution to Israel's war effort. But I can state with confidence that one of the greatest contributions to our mutual cause was Colonel Marcus himself, whose services will forever be remembered in Israel.

It was with the deepest regret that we faced his sudden death at his post. He was only 37 years old, and his brilliant career was cruelly interrupted. One's only consolation is that he has not fallen in vain, and that thousands of the Jewish youth, who admired him and served under him, are carrying on his uncompleted task.

When full freedom dawns on the rejuvenated Israel, and when the national Pantheon for our heroes is erected, the people will create a worthy monument for that unforgettable commander—Col. Michael David Marcus.

DAVID MARCUS

(By Arthur H. Schwartz)

David (Mickey) Marcus was born in New York City on Washington's birthday in 1902. He died in Palestine on June 8, 1948. In a 46-year span, he had a most varied and exciting career. His friends were many—from every walk of life and from every creed and faith. No one friend will ever be able to report all the facts of his life or claim knowledge of all the innumerable things that he did, but every friend can amply report his virtues and traits of character, for those permeated everything he did.

One hardly knows where to start a David Marcus biographical sketch within the limits of the space allotted. One could write of his early childhood on the lower East Side to which his parents came from Rumania; his early life and education in Brownsville, Brooklyn; of his rearing by a loving mother in a home where the Hebrew ritual was observed and where respect for the orthodox Judaism was most deep-seated.

One could write of his early training at the Hebrew Educational Society Gymnasium







81st CONGRESS	}	HOUSE OF REPRESENTATIVES	}	REPORT
1st Session				No. 844

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CONSIDERATION OF H. R. 4009

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JUNE 16, 1949.—Referred to the House Calendar and ordered to be printed

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Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 257]

The Committee on Rules, having had under consideration House Resolution 257, reports the same to the House with the recommendation that the resolution do pass:

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## House Calendar No. 89

81ST CONGRESS  
1ST SESSION

# H. RES. 257

[Report No. 844]

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1949

Mr. SABATH, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That immediately upon the adoption of this  
2 resolution it shall be in order to move that the House resolve  
3 itself into the Committee of the Whole House on the State  
4 of the Union for the consideration of the bill (H. R. 4009)  
5 to establish a national housing objective and the policy to  
6 be followed in the attainment thereof, to provide Federal aid  
7 to assist slum-clearance projects and low rent public housing  
8 projects initiated by local agencies, to provide for financial  
9 assistance by the Secretary of Agriculture for farm housing,  
10 and for other purposes. That after general debate which  
11 shall be confined to the bill and continue not to exceed eight  
12 hours, to be equally divided and controlled by the Chairman



1 and ranking minority member of the Committee on Banking  
2 and Currency, the bill shall be read for amendment under  
3 the five-minute rule. At the conclusion of the consideration  
4 of the bill for amendment, the Committee shall rise and  
5 report the bill to the House with such amendments as may  
6 have been adopted and the previous question shall be con-  
7 sidered as ordered on the bill and amendments thereto to  
8 final passage without intervening motion except one motion  
9 to recommit.





81ST CONGRESS  
1ST SESSION

# H. RES. 257

[Report No. 844]

## RESOLUTION

Providing for the consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

By Mr. SABATH

JUNE 16, 1949  
Referred to the House Calendar and ordered to be printed

David P. Buchanan, O958450.  
 Charles E. Butterworth, Jr., O961447.  
 Irvin W. Cavedo, Jr., O954966.  
 Bruce F. Chandler, O961446.  
 Richard K. Cole, Jr., O960461.  
 Robert A. Collins, Jr., O956686.  
 Warren J. Collins, O958604.  
 William J. Conroy, O961452.  
 Robert F. Conway, O959005.  
 William F. Crepps, O962922.  
 John B. Crow, O961686.  
 Albert J. Davis, Jr., O956012.  
 William J. Dean, O960855.  
 Arthur C. Dietrick, O958944.  
 Donald L. Duerk, O960858.  
 Orin B. Elliott, O959003.  
 Robert A. Etherington, O958945.  
 Donald F. Farrell, O949505.  
 Gordon E. Gifford, O954269.  
 Cleston W. Gilpatrick.  
 Joseph L. Girardeau, O963953.  
 Donald H. Glew, Jr., O954653.  
 Frederick D. Good, O955523.  
 Purdue L. Gould, O961444.  
 Leon D. Graybill, O958942.  
 Robert J. Hall, O962924.  
 James F. Hammill, O947937.  
 William R. Hancock, O956688.  
 Joseph L. Hannon, O958512.  
 Ira B. Harrison, O960863.  
 James W. Haynes, O954273.  
 Charles L. Hedberg, O958767.  
 Armand E. Hendee, O960466.  
 Boyd C. Hindall, O961685.  
 Harry F. Hurd, O959344.  
 Robert W. Irvin, Jr., O954967.  
 William H. Isham, O961039.  
 Edward J. Jahnke, Jr., O959628.  
 Park C. Jeans, Jr., O960864.  
 Edward H. Johnston, O947903.

Sheldon W. Joseph, O960865.  
 Albert J. Kanter, O953887.  
 Cecil H. Kimball, O969233.  
 Harold Kolansky, O959040.  
 James M. Lauderdale, O958509.  
 Boude B. Leavel, O959629.  
 John B. Logan, O960468.  
 Donald R. Lyon, O963147.  
 Roscoe E. Mason, O961692.  
 William C. Matousek, O959002.  
 Richard E. McGovern, O958947.  
 Carter L. Meadows, O962728.  
 Raymond C. Mellinger, O961945.  
 Charles A. Moore, O959343.  
 Kenneth N. Morese, O962717.  
 Robert W. Moseley, O954958.  
 Thomas H. Moseley, O954959.  
 Robert H. Moser, O960867.  
 Arthur A. Murray, O959271.  
 John T. Olive, O963267.  
 Lawrence J. Oot, O960470.  
 Kenneth N. Owens, O959205.  
 John H. Painter, O958507.  
 John W. Payne, O953809.  
 Francis J. Pelsel, O958453.  
 William G. Phippen, O959001.  
 Donald G. Pocock, O961440.  
 James R. Prest, Jr., O958885.  
 Anthony J. Puglisi, O966542.  
 Gordon K. Pyles, O957131.  
 Robert K. Rawers, O954275.  
 Robert W. Regan, O959614.  
 Robert H. Reid, O961941.  
 Charles W. Roth, O961041.  
 Samuel M. Rothermel, O959272.  
 William D. Sanderson, O953810.  
 John E. Scott, O959006.  
 Richard L. Sedlacek, O948544.  
 Lee S. Serfas, O961437.

John H. Sharp, O954277.  
 Jacques L. Sherman, Jr., O1284692.  
 Alvin Sholk, O962721.  
 Lee A. Steele, O959245.  
 Robert J. Steinborg, O960869.  
 Billie G. Streete, O958951.  
 Frank L. Swift, O959038.  
 Arthur A. Terrill, O959342.  
 Paul E. Teschan, O960870.  
 Nathaniel A. Thornton II, O958685.  
 David M. Tormey, O961043.  
 Molloy G. Veal, Jr., O958886.  
 David W. Wardell, O961044.  
 George W. Weber, O961938.  
 William H. Weingarten, O960872.  
 William H. Whitmore, Jr., O954964.  
 Robert C. Wingfield, O962722.  
 William H. Wright, O958939.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

James W. Ferguson.  
 Melvin E. King.  
 William G. Myers.  
 Neil G. Nelson.  
 Joseph F. Schwartz III, O956244.

The following-named person, subject to designation as a distinguished military graduate, for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Lester M. Bornstein.



# House of Representatives

THURSDAY, JUNE 16, 1949

The House met at 11 o'clock a. m.  
Dr. W. Norman Greenway, Greenville, S. C., offered the following prayer:

Our gracious Heavenly Father, we thank Thee for every mercy Thou hast bestowed upon us; we thank Thee for Thy great grace to us. We thank Thee for the great salvation which has been provided for us through Thy Son, Jesus Christ. We are thankful, our Father, for the freedom and liberty enjoyed by the people of this mighty Nation. May Thy spirit lead in the deliberations of this body of men who are instrumental in directing the affairs of the free people of this country. We pray that Christ may be glorified in the decisions of our leaders and that our glorious freedom may be maintained from generation to generation. May Thy infallible word be our sure foundation for the future. We ask these things in the name of Jesus Christ our Lord and for His glory. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5060. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. CHAVEZ, Mr. MCKELLAR, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

## EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentleman from New York [Mr. MACY].

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD in three instances and include editorials appearing in the Buffalo Courier and the Buffalo News.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

## PERMISSION TO ADDRESS THE HOUSE

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## EXTENDING BENEFITS TO FILIPINOS IMPRISONED DURING JAPANESE OCCUPATION

Mr. CAVALCANTE. Mr. Speaker, on May 17, 1949, the First Congress of the Republic of the Philippines, fourth session, adopted the following resolution:

### Senate Resolution 94

Resolution requesting the Congress of the United States of America to extend the benefits of Public Law 896, Eightieth Congress, chapter 826, second session, to Filipinos imprisoned during the Japanese occupation for political activities

Whereas the Congress of the United States of America, in Public Law 896, Eightieth Congress, chapter 826, second session, has extended certain benefits to civilian American citizens captured by the Japanese Imperial Government on or after December 7, 1941, in the Philippines;

Whereas during the entire period of Japanese occupation in the Philippines, countless Filipinos were captured and imprisoned by the Japanese Imperial Army, its officers and soldiers, for political activities or for having been suspected of engaging in such political activities;

Whereas many of the Filipinos who were so captured and imprisoned by the Imperial Japanese Army, its officers and soldiers, were killed or were injured, while many others suffered greatly by reasons of their confinement: Now, therefore, be it

Resolved, That the Senate request, as it hereby requests, the Congress of the United States of America to extend the benefits of Public Law 896, Eightieth Congress, chapter 826, second session, to Filipinos imprisoned during the Japanese occupation by the Imperial Japanese Army, its officers or soldiers, for political activities or for having been suspected of engaging in such political activities.

Adopted May 17, 1949.

I hereby certify that the foregoing Senate Resolution No. 94, First Congress of the Republic of the Philippines, was adopted by the Senate on May 17, 1949.

[SEAL]

CÉSAR DE LANAJÁBAL,

Acting Secretary of the Senate.

## SPECIAL ORDER GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 20 minutes on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

## PERMISSION TO ADDRESS THE HOUSE

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

## PUBLIC HOUSING

Mr. COLE of Kansas. Mr. Speaker, I have been requested to make a brief statement concerning the farm section of the so-called housing bill.

The farm section of this bill provides, first, that an applicant who has an adequate farm but is without a decent, safe, and sanitary residence for himself or tenant, or requires other farm buildings, and is without sufficient funds with which to construct or repair such residence or buildings and cannot secure credit in the normal channels, may receive a loan for 33 years at 4 percent interest.

Second, as to the owner of a potentially adequate farm, if the inadequate income of the applicant from the farm and other resources may not be expected to make the annual payments, but if the income may be improved in 10 years by improvement, enlargement of the farm, or adjusted practices, and the applicant plans to put such improvement, enlargement of the farm, or adjusted practices into effect, he may secure the same loan as the owner of an adequate farm, provided that, at any time within 10 years, the Secretary of Agriculture may cancel the interest and one-half the principal payments on the loan. He may also declare a moratorium on the entire principal for an indefinite period of time.

Third, if the applicant cannot qualify for either of the above loans and has a dwelling upon which repairs are necessary to render it safe and sanitary—including roofs, toilet facilities, water supply, screens, and so forth—the owner may receive a grant or a loan or a combination of both up to \$1,000 for one farm, with a maximum of \$2,000 to any one individual. The grant, or gift, may be \$500 for one farm; but if the individual owns more than one farm, he may receive the same for each within the \$2,000 limit.

A farm is defined as a unit of land which customarily produces or is capable of producing commodities of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944.

The loans for potentially adequate and less than potentially adequate farms are made with agreements that the applicant will put into effect a plan of farm improvement and practices approved by the Secretary of Agriculture.

This statement is made to advise the Members of the House concerning the proposed aid for rural housing.

## EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Bristol Courier of Monday, June 13, entitled "The Credit Bubble."

## PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.



Mr. Justice White was a great judge and a great lawyer. There were great and learned Republican lawyers and judges whom President Taft might have appointed. He chose rather to preserve the balance and nonpartisanship of the Court.

Now let me relate to you how a great Republican President honored and preserved the proud traditions of the greatest Court in the world; how he used his appointive power to uphold the impartial nonpartisan character of our highest tribunal.

During President William Howard Taft's administration, eminent members of the bench and bar attended a banquet in honor of a distinguished jurist. The toastmaster was Judge Alton B. Parker, erstwhile Democratic candidate for President, who related the following story:

On a cold, miserable day in 1864, a lady in widow's weeds was seen slowly coming down the steps of the War Department Building in Washington, and with faltering tread wandered across the avenue into the White House Grounds. An old darky, a factotum about the Executive Mansion, came up.

"Missus, is you in misery or is you in trouble?"

The distressed little lady, looking into the kind face of the old Negro, answered: "The Secretary of War, Mr. Stanton, won't let me help my sick son."

"Missus, yer gone to the wrong gem'en. Come with me."

The old servant led the way through a side door of the White House and cautiously entered the President's study, where sat President Lincoln, with a shawl drawn about his shoulders, poring over documents.

"Master President, here's one of my white lady folks. She's in trouble en' I brung her to you."

"Mr. Lincoln," began the little lady, "my Confederate soldier son has been captured; is in a northern prison, sick, very sick, and unless I can get him home, where I can nurse him, he will certainly die. I'—"

"Have you seen the Secretary of War?" asked the President.

"I've just come from there. Mr. Stanton said: 'All rebels should die!'"

"Did he say that?"

"Yes, sir; he did."

Lincoln rose, strolled to his south window, looked far out over the Potomac in the direction of the battlefield of Bull Run. Then, slowly turning, faced the trembling little Confederate mother. "If I release your sick son into your custody, will you give me your word of honor that he will never again bear arms against the Union?"

"I swear it, Mr. Lincoln."

Here Judge Parker paused in his story, putting his arm upon the shoulder of the honored guest, continued:

Gentlemen, this devoted little mother nursed her paroled Confederate son back to health. He became a brilliant lawyer, an eminent judge of the Federal court of appeals, and now President Taft, a northern Republican, has appointed this ex-Confederate soldier to the Supreme Court of these United States.

Gentlemen, we gather here tonight to honor Mr. Justice Horace H. Lurton.

Ladies and gentlemen of the committee, that is the spirit in which the laws of this country should be administered and in which appointments to the judiciary should be made. I am for this amendment, not out of any spirit of ill will to-

ward my Democratic friends, but in a desire to see our courts nonpartisan in character and in make-up, and to see to it our courts are nonpartisan, and are composed of both Democrats and Republicans. Like Caesar's wife, they should be above suspicion and beyond reproach. Let them be composed of both Democrats and Republicans, fairly apportioned, because millions of your fellow citizens are Republicans. The two great parties are about equally divided. They are composed of your neighbors and your friends. Thousands of members of the Democratic Party are my neighbors and my friends. I think Americanism, fairness, and fair dealing ought to transcend by far any partisan spirit in a question such as is here presented. It is in a spirit of that kind I support this amendment.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. JENNINGS] has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 87, noes 114.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes, pursuant to House Resolution 248, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CURTIS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CURTIS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. CURTIS moves to recommit the report back with the Keating amendment.

The SPEAKER. The House certainly has no knowledge of what the Keating amendment is. That was acted on in the Committee of the Whole. We are in a different jurisdiction now.

Mr. CELLER. Mr. Speaker, I make a point of order against the motion to recommit that in that form it is not in order.

The SPEAKER. The point of order is sustained.

Mr. CURTIS. Mr. Speaker, I move that the bill be recommitted and reported back with this amendment:

That not more than two-thirds of the total number of circuit judges or district judges authorized hereunder first appointed pursuant hereto shall be members of the same political party.

The SPEAKER. Will the gentleman send the motion to the desk? The motion has to be in writing.

Mr. CURTIS. Mr. Speaker, I offer the following motion.

The Clerk read as follows:

Mr. CURTIS moves to recommit the bill and report back with the following amendment:

"Sec. 8. Not more than two-thirds of the total number of circuit judges or district judges authorized hereunder first appointed pursuant hereto shall be members of the same political party."

The SPEAKER. The question is on the motion to recommit.

Mr. CURTIS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll, and there were—yeas 135, nays 195, not voting 102, as follows:

[Roll No. 109]  
YEAS—135

Allen, Calif.	Hagen	Murray, Wis.
Andersen,	Hale	Nelson
H. Carl	Hall	Nicholson
Anderson, Calif.	Leonard W.	Nixon
Andresen,	Hand	Norblad
August H.	Harden	O'Hara, Minn.
Angell	Harvey	O'Konski
Auchincloss	Herter	Patterson
Barrett, Wyo.	Heselton	Pfeiffer,
Bates, Mass.	Hill	William L.
Beall	Hinshaw	Phillips, Calif.
Bennett, Mich.	Hoeven	Phillips, Tenn.
Bishop	Hoffman, Ill.	Plumley
Blackney	Holmes	Potter
Bolton, Ohio	Hope	Reed, N. Y.
Bramblett	Horan	Rees
Brown, Ohio	Hull	Rich
Burdick	Jackson, Calif.	Riehman
Byrnes, Wis.	James	Rogers, Mass.
Canfield	Javits	Sadlak
Case, N. J.	Jonison	St. George
Chiperfield	Jenkins	Sanborn
Church	Jennings	Scott, Hardie
Cole, Kans.	Jensen	Scrivner
Corbett	Judd	Scudder
Cunningham	Kean	Shafer
Curtis	Keating	Simpson, Ill.
Dague	Keefe	Simpson, Pa.
Davis, Wis.	Kunkel	Smith, Kans.
D'Ewart	LeFevre	Smith, Ohio
Dolliver	Lemke	Smith, Wis.
Eaton	Lodge	Stefan
Ellsworth	Lovre	Talle
Elston	McConnell	Tollefson
Engel, Mich.	McCulloch	Towe
Fellows	McDonough	Van Zandt
Fenton	McGregor	Vorys
Ford	Mack, Wash.	Vursell
Fulton	Martin, Iowa	Welch
Gamble	Martin, Mass.	Welch, Calif.
Gavin	Mason	Wigglesworth
Gillette	Morrow	Withrow
Golden	Meyer	Wolcott
Goodwin	Michener	Wolverton
Graham	Miller, Md.	Woodruff
Gross	Miller, Nebr.	
Gwinn	Morton	

NAYS—195

Abbitt	Aspinall	Bentsen
Abernethy	Bailey	Blumiller
Addonizio	Baring	Bland
Albert	Battle	Blatnik
Allen, La.	Beckworth	Boggs, La.
Andrews	Bennett, Fla.	Bolting



Bolton, Md.	Hedrick	Pace
Bosone	Herlong	Passman
Brooks	Hobbs	Patman
Brown, Ga.	Holifield	Patten
Bryson	Howell	Ferkins
Buchanan	Huber	Peterson
Buckley, Ill.	Irving	Pickett
Burleson	Jackson, Wash.	Polk
Burnside	Johnson	Preston
Burton	Jones, Ala.	Price
Byrne, N. Y.	Jones, Mo.	Priest
Camp	Karst	Rabaut
Cannon	Karsten	Rains
Carnahan	Kelley	Ramsay
Carroll	Keogh	Rankin
Cavalcante	Kerr	Regan
Celler	Kilday	Rodino
Chelf	King	Rogers, Fla.
Chesney	Kirwan	Sabath
Chudoff	Kruse	Sadowski
Combs	Lane	Sasser
Cooley	Lanham	Secrest
Cooper	Larcade	Sheppard
Cox	Lesinski	Sims
Crook	Lind	Smathers
Crosser	Linehan	Spence
Davis, Ga.	Lucas	Stanley
Davis, Tenn.	Lyle	Steed
Dawson	Lynch	Stigler
DeGraffenried	McCarthy	Sullivan
Delaney	McCormack	Sutton
Denton	McGrath	Tackett
Donohue	McGuire	Tauriello
Doughton	McKinnon	Thomas, Tex.
Douglas	McMillan, S. C.	Thompson
Doyle	McSweeney	Thornberry
Elliott	Mack, Ill.	Trimble
Engle, Calif.	Madden	Underwood
Evins	Magee	Wagner
Felghan	Mahon	Walsh
Fernandez	Mansfield	Walter
Flood	Marcantonio	Welch, Mo.
Fogarty	Marsalis	Wheeler
Forand	Miles	White, Calif.
Gary	Miller, Calif.	White, Idaho
Gathings	Mills	Whitten
Gordon	Mitchell	Whittington
Gorski, Ill.	Monroney	Wickersham
Gorski, N. Y.	Morgan	Wier
Gossett	Morris	Willis
Gregory	Moulder	Wilson, Okla.
Hardy	Multer	Wilson, Tex.
Hare	Murphy	Winstead
Harris	Norrell	Wood
Harrison	Norton	Woodhouse
Hart	O'Brien, Ill.	Worley
Havener	O'Brien, Mich.	Yates
Hays, Ark.	O'Hara, Ill.	Young
Hays, Ohio	O'Neill	Zablocki

## NOT VOTING—102

Allen, Ill.	Fugate	O'Sullivan
Arends	Furcolo	O'Toole
Barden	Garmatz	Pfeifer
Barrett, Pa.	Gilmer	Joseph L.
Bates, Ky.	Gore	Philbin
Boggs, Del.	Granahan	Poage
Bonner	Granger	Poulson
Boykin	Grant	Powell
Breen	Green	Quinn
Brehm	Hall	Redden
Buckley, N. Y.	Edwin Arthur	Reed, Ill.
Bulwinkle	Halleck	Rhodes
Burke	Hébert	Ribicoff
Carlyle	Heffernan	Richards
Case, S. Dak.	Heller	Rivers
Chatham	Hoffman, Mich.	Rooney
Christopher	Jacobs	Roosevelt
Clemente	Jonas	Scott
Clevenger	Jones, N. C.	Hugh D., Jr.
Cole, N. Y.	Kearney	Short
Colmer	Kearns	Sikes
Cotton	Kee	Smith, Va.
Coudert	Kennedy	Staggers
Crawford	Kilburn	Stockman
Davenport	Klein	Taber
Davies, N. Y.	Latham	Taylor
Deane	LeCompte	Teague
Dingell	Lichtenwalter	Thomas, N. J.
Dollinger	McMillen, Ill.	Velde
Dondero	Macy	Vinson
Durham	Marshall	Wadsworth
Eberhart	Morrison	Werde
Fallon	Murdock	Whitaker
Fisher	Murray, Tenn.	Williams
Frazier	Noland	Wilson, Ind.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

## On this vote:

Mr. Werdel for, with Mr. Jacobs against,  
Mr. Lichtenwalter for, with Mr. Frazier against.  
Mr. Reed of Illinois for, with Mr. Morri-son against.  
Mr. Macy for, with Mr. Breen against.  
Mr. Kearney for, with Mr. Davenport against.  
Mr. Taber for, with Mr. Gilmer against.  
Mr. Halleck for, with Mr. Furcolo against.  
Mr. Arends for, with Mr. Clemente against.  
Mr. Hugh D. Scott, Jr., for, with Mr. Quinn against.  
Mr. Kilburn for, with Mr. Heffernan against.  
Mr. Cole of New York for, with Mr. Gar-matz against.  
Mr. Coudert for, with Mr. Fallon against.  
Mr. Kearns for, with Mr. Heller against.  
Mr. Wadsworth for, with Mr. Williams against.  
Mr. Short for, with Mr. Grant against.  
Mr. Allen of Illinois for, with Mr. Philbin against.  
Mr. Latham for, with Mr. Kennedy against.  
Mr. Velde for, with Mr. Klein against.  
Mr. Jonas for, with Joseph L. Pfeifer, against.  
Mr. Edwin Arthur Hall for, with Mr. Rooney against.  
Mr. McMillen of Illinois for, with Mr. Deane against.  
Mr. Stockman for, with Mr. Noland against.  
Mr. Taylor for, with Mr. Roosevelt against.  
Mr. Boggs of Delaware for, with Mr. Teague against.  
Mr. Cotton for, with Mr. O'Toole against.

General pairs until further notice:  
Mr. Powell with Mr. Wilson of Indiana.  
Mr. Redden with Mr. Poulson.  
Mr. Richards with Mr. Brehm.  
Mr. Sikes with Mr. LeCompte.  
Mr. Staggers with Mr. Case of South Da-kota.  
Mr. Vinson with Mr. Crawford.  
Mr. Whitaker with Mr. Dondero.  
Mr. Dollinger with Mr. Hoffman of Mich-igan.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

## COMMITTEE ON THE CIVIL SERVICE

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that the Committee on the Civil Service may have until midnight Saturday to file a report on the bill (H. R. 5100) to correct inequities in the pay of certain officers and employees of the Federal Govern-ment and of the government of the Dis-trict of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the dis-agreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2361) entitled "An act to provide for the reorganization of Government agencies, and for other purposes."

## THE NATIONAL HOUSING BILL

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 257) providing for the consideration of H. R. 4009, to estab-lish a national housing objective and the policy to be followed in the attain-ment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agricul-ture for farm housing and for other pur-poses, (Rept. No. 844), which was re-ferred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adop-tion of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4009) to establish a national hous-ing objective and the policy to be followed in the attainment thereof, to provide Fed-eral aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial as-sistance by the Secretary of Agriculture for farm housing, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 8 hours, to be equally divided and controlled by the chairman and ranking minority mem-ber of the Committee on Banking and Cur-rency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amend-ment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## PROGRAM FOR WEEK OF JUNE 20

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to pro-ceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mas-sachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time in order that we may learn from the gentleman from Mas-sachusetts [Mr. McCORMACK], the pro-gram for next week.

Mr. McCORMACK. Mr. Speaker, I am glad to respond to the inquiry.

On Monday there will be the Consent Calendar; and then, should unanimous consent be not obtained on the following bills, they will be called up under suspen-sions, although I am not saying that they will be called up in this order:

H. R. 2001, providing for a forestry service survey.

S. 55, the Eden Valley project, Wyo-ming.

H. R. 1154, authorizing additional funds for the extension of post office facilities at Los Angeles, Calif.

H. R. 1771, loans, Federal agencies, pub-lic works.

H. R. 2214, the Baltimore-Washington Parkway bill.

House Joint Resolution 228, providing for Nationally Handicapped Week.

H. R. 5100, to correct inequities in pay of certain officers and employees of the







ated for any one fiscal year. The conference agreement continues the over-all authorization but provides that not to exceed \$2,750,000 shall be appropriated for the period consisting of the fiscal years 1950 and 1951.

The House bill (sec. 9) provided that the management of the Corporation should be vested in a Board of Directors consisting of seven members, including the Governor of the Virgin Islands, the head of a Government agency designated by the President to exercise general direction of the Corporation, and five other persons appointed by the President for terms of 5 years. The conference agreement provides that the Board of Directors shall consist of the Secretary of the Interior, the Secretary of Agriculture, the chairman of the Reconstruction Finance Corporation, the Governor of the Virgin Islands, and three experienced businessmen to be appointed by the President to serve for terms of 6 years.

The House bill (sec. 9) provided that the President of the Board should be elected by the Board from among its members. The conference agreement removes the requirement that the President be selected from the membership of the Board.

The Senate receded from its amendment to the title of the bill.

J. HARDIN PETERSON,  
MONROE M. REDDEN,  
RICHARD J. WELCH,  
FRID L. CRAWFORD,

*Managers on the Part of the House.*

#### DISTRICT OF COLUMBIA APPROPRIATION BILL, 1950

Mr. BATES of Kentucky. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3082) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BATES of Kentucky, YATES, FURCOLO, CANNON, CHURCH, and STOCKMAN.

#### COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### HOUSING ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 257 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to pro-

vide Federal aid to assist slum-clearance projects and low rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 8 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, at the conclusion of my remarks I will yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, the rule making the housing bill in order is an open rule which will give every Member an opportunity to express his views and offer amendments when the bill is read under the 5-minute rule. Furthermore it provides for 8 hours general debate—eight long hours.

Mr. Speaker, I have been in this House many years. Never before have I witnessed such a unanimous plea and demand for legislation as I have observed and has come to me, as I think to most of the Members with reference to this bill.

Forty-two of the governors have endorsed this legislation. The United States conference of mayors advocates this bill. All veteran and all labor, church, and civic groups favor this program. Without unduly encumbering the RECORD I insert the names of a few other organizations supporting this needed legislation:

The League of Women Voters.  
National Council of Negro Women.  
National Council of Jewish Women.  
National Association of Parents and Teachers.  
National Urban League.  
National Association of Rurau Housing.  
National Farmers Union.  
American Municipal Association.  
American Council on Education.  
American Home Economics Association.  
National Association of Municipal Law Officers.  
National Federation of Settlements.  
American Council on Human Rights.  
Family Service Association of America.  
National Grange.

The other body passed a similar bill three times. The last one is now before us. Due to the unholy coalition and alliance in this House, this bill which is so sadly needed by the millions of homeless has not been favorably acted upon. For weeks—yes, for years—the real-estate lobby, bankers, loan associations, builders, and developers have spent millions of dollars, time, and effort to misinform the public, and the membership of this House. They have issued weekly statements all extremely unwarranted and unjustifiable—yes, even untrue and

false in many instances. Also, through the press and radio and on the public platforms using every media of communication, in order to prejudice the minds of the Members, and have even influenced some Members here, to assert that this bill will cost between \$16,000,000,000 and \$20,000,000,000.

Mr. Speaker, in compliance with the suggestion of some of the members of the Committee on Rules, as chairman of that committee, I submitted a request to Frank Pace, Jr., the Director of the Budget asking for information and propounding written interrogatories that were submitted to me in a statement prepared by one of the Republican members of the Committee on Rules. I have in my hand the Budget Director's reply and I regret exceedingly that I do not have the time to read the entire letter, but I will quote a few extracts from it, as follows:

In fact, as I have already stated, the maximum annual authorizations of \$400,000,000, although necessary to insure private financing at the lowest cost, would not be paid either for the maximum number of years or at the maximum annual rate. A reasonable estimate of the total amount required over the life of the program would be \$9,000,000,000 to \$10,000,000,000, rather than \$16,000,000,000.

If these amounts are discounted at the same 2-percent-interest rate employed in the example in your letter, the present value of the probable Federal contributions would not be \$11,300,000,000 as your example indicates, but roughly \$7,000,000,000. If discounted at the more appropriate long-term rate of 2½ percent, the present value of the probable Federal contributions would be roughly \$6,500,000,000.

Thus, as indicated above, the basic premise of your question that Federal subsidies for low-rent housing [would] exceed by a considerable margin the entire construction costs of such housing, is in error. One reason why this legislation is in accord with the program of the President is that the method provided for financing the low-rent housing program would result in substantially lower costs to the Federal Government than would be required by direct Federal construction.

I feel you owe it to yourselves to read the entire letter in the CONGRESSIONAL RECORD which I inserted on June 8. It can be found on page A3756. If you will read his statement, and you know he is a man with a splendid reputation, and trustworthy in every respect, it will prove that the figures of the opposition were used to prejudice the minds of the members and were untrue and unwarranted. This report from the Director of the Budget will clearly substantiate my remarks made from the very outset with respect to this legislation and also the recent statement of President Truman, to the effect that the figures as given by the opposition are unreliable and in fact untrue.

The Director of the Budget makes clear that the cost will not be more than nine or ten billion dollars. With the agreement on the part of the Committee on Banking and Currency to reduce the number of housing units by 25 percent—from 1,050,000 to 810,000, the cost will be still further reduced, so that it will not entail more than seven and one-half or



eight billion dollars—and that sum covers a period of 40 years. That would be even less than \$200,000,000 a year. Compare that amount with the appropriations we have made in the last 10 years for agriculture, in which every rural section of our country has been benefited. Bear in mind that in the last 10 years we have appropriated on an average of \$1,500,000,000 every year, for agriculture, which amounts to almost 10 times as much as this bill calls for annually.

Another outrageous and propagandic attack on the part of the opponents of this legislation is, that only 10 States will be benefited. Again, that is clearly an untrue statement. The fact is that 46 States will be benefited. They have passed enabling legislation to take advantage of this program. But even if the charge were true, I wish to point out that the 10 States have contributed to the Treasury of our country annually, 65 or 66 percent of all the revenue. To verify my statement at this point, I insert herewith excerpts from the official Treasury Department, Bureau of Internal Revenue, report, as follows:

*Total internal revenue collections for year ending June 30, 1948*

	Percent of total revenue
New York, \$7,975,513,000.....	19.05
Illinois, \$3,785,815,000.....	9.04
Pennsylvania, \$3,222,789,000.....	7.70
California, \$3,103,679,000.....	7.41
Ohio, \$2,665,707,000.....	6.37
Massachusetts \$1,347,084,000.....	3.22
Michigan, \$2,252,280,000.....	5.38
New Jersey, \$1,272,223,000.....	3.04
North Carolina, \$1,238,661,000.....	2.93
Indiana, \$1,011,921,000.....	2.4
Total for 10 States.....	65.57
Total collected in United States, \$41,864,542,000.	

Although the charge that only a few States will benefit, is ridiculous, nevertheless, because of their large contributions to the Treasury, these States would be entitled to receive benefits provided under this bill. But I am not going to base my request for favorable action on the bill on that score, because I feel that by this time you are all satisfied that this is a meritorious bill and is urgently needed.

I hope that you Members will be guided by your conscience, not by created prejudice, and will vote for this rule and for this greatly needed legislation which will relieve millions of unfortunate veterans and other homeless people who are living in shacks, trailer camps, tents, doubled up with their relatives and friends, and under other deplorable conditions such as this country, the richest country in the world, should not permit or tolerate. Oh, we appropriate millions to help build homes for those of other lands in devastated countries, even those of our former enemies. Why should we hesitate or refuse to appropriate monies necessary to obtain decent homes for our own citizens?

Why refuse to appropriate one-tenth or one-twentieth of the amount we have provided for the rural and farming sections of this country, on behalf of our

own needy and deserving American citizens living in urban communities who are appealing to you for relief from the intolerable conditions under which they must continue to live until relief is forthcoming.

Some people say this legislation will affect private enterprise. That is all wrong. It will aid private enterprise; furthermore, private enterprise has promised to build homes; it has made that promise for the past 9 or 10 years. Has it built these homes for the low-income people? Indeed not. Private enterprise has built homes for those who could pay twelve, fifteen, and twenty thousand dollars, but not for those who could afford to pay only seven or eight.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. When the gentleman states that this will aid private industry in the building of homes I call attention to the fact that in 1935 when we were considering the Social Security Act—and I was on the subcommittee that drafted it—the cry was made in relation to old-age and survivors insurance that it would destroy the private insurance companies. As a matter of fact it has greatly increased the business of private insurance companies. These companies now admit that they were wrong and that it has been of great benefit to them because it has got the American people insurance-minded, and the number of policies has increased many millions; it has been an inspiration. This bill will have the same effect on private industry. Low-cost housing and slum clearance is a field which would not affect the building of one- and two-family houses at all. Furthermore, the research provisions will prove beneficial to private industry.

Mr. SABATH. The gentleman from Massachusetts is a well-informed Member and I appreciate his remarks.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to my colleague from Illinois.

Mr. ALLEN of Illinois. Will the majority leader explain why, if this will be of such benefit to private industry, that private industry is 100 percent against the bill?

Mr. SABATH. Because of avarice on the part of many of those in private industry who are out only to make money and more money, who have no conception of the duty they owe to the country or to those people who should be given the opportunity to obtain decent housing.

Mr. McCORMACK. If the gentleman will yield, the answer to the inquiry is the experience of the insurance companies under the Social Security law. They admit now that they were wrong. They honestly entertained a position of opposition because they were afraid; but experience has shown they were wrong, and they have admitted it long since. They realize that especially the old-age and survivors' insurance provision has been of great benefit to them.

Mr. ALLEN of Illinois. Does the gentleman by that statement mean to say

that private industry does not know what they should do or what is best for them?

Mr. McCORMACK. My position is that most of them are honest in their opposition. I am not going to impugn the motive of anyone.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I cannot yield further.

#### CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present, if the gentleman cannot yield for a question.

The SPEAKER. The gentleman from Illinois makes the point of order that a quorum is not present. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 111]

Angell	Hall,	Murphy
Bailey	Edwin Arthur O'Konski	
Bentsen	Hall,	Pfeifer,
Boggs, Del.	Leonard W.	Joseph L.
Boggs, La.	Harden	Phillips, Calif.
Boykin	Herlong	Plumley
Breen	Hoffman, Mich.	Poulson
Buckley, N. Y.	Jackson, Calif.	Powell
Bulwinkle	Jacobs	Short
Burke	Jennings	Stockman
Carroll	Kearney	Taber
Case, S. Dak.	Kee	Taylor
Chatham	King	Thomas, N. J.
Clevenger	Latham	Velde
Cole, N. Y.	Lichtenwalter	Vursell
Crawford	McMillen, Ill.	Wadsworth
Gilmer	Macy	White, Idaho
Gore	Miller, Nebr.	Wier
Granger	Morrison	Wilson, Ind.

The SPEAKER. On this roll call 372 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The gentleman from Illinois [Mr. SABATH].

#### NATIONAL HOUSING ACT OF 1949

Mr. SABATH. Mr. Speaker, at the time that the point of no quorum was made I was about to reserve the balance of my time. I had concluded my remarks. I yielded to the gentleman from Massachusetts realizing that I did not have any more time for myself.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to my colleague, the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 18 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, in opposing the housing bill I am swayed not entirely by the content of the measure, although there is much that could be singled out for criticism. My opposition is chiefly due to a profound conviction we cannot afford to engage in this new enterprise in which so few will benefit at the peril of so many.

It is not my purpose to delve into the past but to consider the present with a firm hope we can avert a collapse in the years immediately ahead.



Let us pause for a moment and examine our financial condition. We find we owe \$252,000,000,000 in our national debt. That is about \$1,800 for every individual in the United States. Think of it. We owe \$1,800 for every man, woman, and child in this country. This stupendous national debt represents a hidden mortgage of \$6,026.55 on every home in America. We can readily understand the concern which would be visible if the responsibility for that debt was assumed by the individual. But the responsibility, while not assumed, is there. And if it is not paid the individual and the home owner alike will suffer.

No one can successfully dispute that this country is in a grave financial crisis. We are spending in excess of our national income. The deficit spending will be even greater next year as a declining business economy yields less taxes. What are we going to do about it? What course shall we pursue?

We can go on spending dangerously, starting new expenditures in response to the pressure groups and piling up an even bigger national debt; or we can substantially increase taxes in a vain effort to achieve a balanced budget; or we can cut down the spending. These are the alternatives. There are no others. For me the choice is plain—I shall try to reduce the spending.

Most everybody recognizes to start deficit financing when the Federal debt is \$252,000,000,000 is extremely perilous. It could destroy confidence in the value of the dollar; it could start a flight away from the dollar to commodities with a consequence of rising prices and a wilder inflation than we have yet experienced. We must not take this chance. It is what the Communists would like very much to see us do. Then they could take over without firing a single shot.

We could, of course, increase taxes as recommended by the President. But this, in my opinion, would not do the job. Increased taxes do not necessarily mean increased revenue. Increased taxes, when we are trying to head off a depression, would be unwise. It could, and probably would be fatal to many small industries. It would dry up the funds needed for expansion and research. It would make it impossible for some concerns to carry workers through the depressed period. It might easily produce less rather than more revenue.

The remaining alternative is to cut down the spending. This will not be popular. My experience is that many people like to talk about economy and that is about all. They have no real, unselfish will to bring about economy. They are naturally for economy when it affects something in which they have no great interest or any particular benefit. But when it affects them personally they find ready excuses for abandoning economy. We cannot come safely through this crisis with selfishness.

The present need is to eliminate waste and useless spending in Government. We must work and we must produce. It is the only safe way. It is the way back to a sound Government and a bright tomorrow.

It is not time for new Government ventures involving vast sums of money. All may have worthy objectives. Some of them might be highly desirable if we had the money to pay the bills. But the Government has no available money; it has only the money that it assesses upon you and me and the other 140,000,000 of Americans. The people must pay for these bills. They pay them through toil and sweat. And in my judgment the people are waking up as they get their tax bills from the city, county, State and national Governments. Nearly one-third of every earned dollar goes to pay for the services of Government. To push the assessments higher might well destroy popular Government as we know it. That, I do not want to happen.

As we multiply the demands upon the national Government we steadily increase the size of our bureaucracy and the number of Federal jobholders who must be carried upon the backs of the American producers—whether they be workers, farmers or tradesmen. Already the bureaucracy has become so large, so autocratic and arrogant that it threatens to destroy this free way of life.

No, every ounce of common sense cries out against the further encroachment of the Federal bureaucracy into the lives of our people.

To keep freedom and individual initiative requires some sacrifice; it means going without some things that might be desirable. There is nothing more precious on this earth than freedom. It is worth sacrifice.

For a moment let us consider the bill we are asked to support. It could cost between sixteen and nineteen billions of dollars in the period of its lifetime. That is a heavy obligation to assume in the face of a possible financial collapse. Less than 6 percent of our people would be in the class available to benefit by the legislation, and less than 7 percent of those available could be selected. In other words, out of every 1,000 people you know, only 4 could qualify. The limitation placed in the bill provides for those four. The other 996 persons will get nothing but increased tax bills. So few to be benefited to imperil so many.

Those selected must expect to pay \$50 or \$60 per month in addition to the Government contribution. No one unable to pay \$50 could qualify. The Government subsidy would bring it down to this rental. People able to pay \$50 a month rent should find little difficulty in getting a home, built by private enterprise. It is the group who cannot afford to pay half that rent we should worry about. There is no relief in this bill for them.

Undoubtedly there are some remaining hardship cases, but the slack is being rapidly taken up. It will not be long before it will be a problem what to do with some of the available houses.

The big rush to marry following the war is over. Marriages reached the peak of 2,291,000 in 1946; in 1947 they dropped to 1,992,000; and in 1948 they reached 1,815,000; and this year the estimated number of marriages is 1,600,000.

In addition, in a declining business economy we find families contracting.

They take a smaller apartment, and in many instances they double up. The reverse, of course, was true in expanding business; and this was responsible, in part, for the unprecedented housing demand. There was lots of money available, and we all like to live as well as we can afford.

Private enterprise, if encouraged, will lick this problem and provide decent homes without breaking financially either the Federal or local governments. In 1946 under Federal control and supervision, 460,000 houses were constructed; in 1947 with Government encouragement 840,000 houses were built; and in 1948, 960,000. This year the threat of Government competition will force down the new units to be constructed somewhat below the last 2 years. In fairness it may be added that there is also a slackening in the pressure.

May I add there are complaints about the costs of State and city governments. Some cities and towns in my State are paying tax rates of \$55 and \$60 a thousand. Is it right to put tax-free houses along side of these? Is it right to ask these struggling property owners to help pay the rent of people who can live in houses commanding a larger rent than they do? Is it right for our hard-working farmers and factory employees to help pay the rent of people with larger incomes? Is it right to further imperil the financial stability of cities and States by offering them "easy money"? After all, this program will cost the local governments at least \$6,000,000,000. That is if we do not juggle the legislation.

There is in the bill a sop to the farmers. Less than 50,000 could possibly share. The Secretary of Agriculture could give an outright grant to \$500 to a man with one farm building or \$1,000 if he has two buildings. Then there could be a loan of \$1,000 on easy interest terms. Only a handful of farmers in the North and West and precious few in the South could meet the requirements of the bill. The best you can say about this feature of the bill is that it is based upon good intentions. The average farm dweller has about as much chance in sharing in this shower of Federal money as a listener to hit the jack pot in the Stop the Music program.

We all have a natural concern for clearance of the slums in the big cities of our country. They are menaces and a threat to our national health. These slums should and must be cleaned up. And the Federal Government will be obliged to aid or else the job will not be done. Communities are reluctant to clean up their own messes. Yet they must not be allowed to step out of an obligation which primarily belongs to them. After all, slums are man made. They occur chiefly because of a laxity on the part of city authorities. Landlords are permitted to exact rentals from the poor people and then are not obliged to keep up their property. Here is where should come the first step in the needed reform. Cities should be required through ordinances similar to those in Baltimore to take the initial step in slum clearance. It is remarkable how much can be done.



Old, unsightly buildings can be repaired, renovated, and remodeled. They could be made in some instances better than new homes. One need only point to what has been accomplished in Georgetown in the Nation's Capital. The job can and must be done, but it can only be effective through the driving force of local public opinion.

There is another side of the slum-clearance picture, too, we must consider. How enormous will be the job? We should know the whole story before departing upon a venture that could be overwhelming.

I am afraid from my own observations that some of the veterans' housing that has been constructed under Government supervision will last only a short time. A few years hence there well may be suburban slums that we will be asked and with direct obligations to clean up because we put them there. The whole problem is one that must be thought through.

If this program is adopted as reported, I predict there will be less housing and housing will cost more. Private home owners will not build in competition with Government. They will sit back and wait until later expanded programs give them a house. It will cost more because as the Government comes in with the heavy purchases prices will increase.

We, in this country today, face a greater potential danger than at any time in our history. Yes, the danger is greater than when Hitler was marching through France and threatening to dominate the world.

Today every country in Europe outside of Russia is weak in a military and economic sense. Russia holds most of Asia with its countless millions of people in its grasp. Communism reaches out to force its deadly and destructive ideology upon free people everywhere.

Here in America is the only strong country physically and financially able to combat the march of communism. Yet we too are weakened from the long and costly struggle of World War II and our efforts to rebuild the world.

We have a national debt of \$252,000,000,000; our cost of Government is over \$42,000,000,000; we are groaning under heavy taxes of city, State, and Nation. All this at the time of a declining business.

There is only one chance for America and free people in every part of the globe. We must keep this country strong and solvent; to do this we must forego some of the things we would like to do. To help a few people we cannot imperil the Nation.

Let us make this Nation one of self-respecting home owners rather than a nation of subsidized tenants in Government projects. Let us remain a free people.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to my colleague the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, the counsel that I now bring my colleagues comes from an old and devoted friend, and is given in the spirit in which one brother would counsel with another concerning

matters of profound concern to the welfare of the entire family.

We are here being called upon to make a decision that is of greater far-reaching effect than has been realized—a decision for which we shall either be praised or condemned by the generations that will follow us. Mr. Speaker, I have no illusions about my strength to stay the whirlwind of destruction that I see approaching, but I must make the attempt, feeble though it may be.

The greater part of my official life has been spent in the midst of revolution, peaceful though it has been, but revolution nonetheless. And because I am not a revolutionist I have not courted nor have I received the plaudits of the multitude. I bear scars, not medals.

Mr. Speaker, it is my reverence for the genius of the founding fathers and the American institutions built under the inspiration they gave that has made the welfare of my country my chief concern, and, when necessary to hold true to this principle, I have sacrificed favoritism and personal attachment and refused to bend to the pull of selfish interests.

Mr. Speaker, do not all signs indicate that we are running into serious trouble? And if these signs are correct should we not show a greater understanding of the realities than is here reflected? Do we not owe the people a better responsibility than is here disclosed? Should we not marshal the strength of the Nation for the task that lies ahead rather than dissipate it through political revelry and insane irresponsibility?

I fear this new philosophy that threatens to sweep us away from the moorings of the Constitution. From a government of distributed powers I have seen develop a virtual concentration of all power. Rights reserved to the States and to the people are no longer respected. The order of things has been reversed. Government now exists as the master of the people and undertakes to support them, rather than as their servant to be supported by them.

This measure that we are asked to consider does not seek to lure our people to the acceptance of socialism. It does not seek to entice us into the acceptance of a totalitarian economy. There is nothing deceptive about it. This bill plainly, openly, and boldly declares socialism to be our new national policy. For if language is not intended to deceive, then that is the only meaning that can be gathered from the text of the bill and the report that accompanies it.

In this bill it is proposed that we legislatively declare this scheme of totalitarian or authoritarian bureaucracy to be essential to the health of our national economy. Here the Republic is cast adrift upon the treacherous sea of socialism. Here caution and moderation, reason and sanity, are thrown to the winds. Here Government domination and political control are fastened upon the American home with the assurance that complete statism soon will follow.

Mr. Speaker, this is no makeshift, temporary, emergency proposal. This is a permanent part of the new socialist economy to be ushered in by an over-all hous-

ing activity with continuing, expanded, and extended Federal financing.

The almost unlimited, ramifying activities and powers provided in this measure challenge the imagination, yet at the same time leave little to uncertainty. You will find them variously enumerated throughout the bill. They are too numerous for me to recite. They are in part as follows:

The elimination of slums and blighted areas; the development and the redevelopment of communities (whether or not such communities want to be redeveloped, uprooted, and uplifted); adequate housing for all who now are inadequately housed; the appraising of housing activities and progress; the general welfare and security of the Nation; a decent home and a suitable living environment for every family; the stability of the home-building industry and its full contribution to an economy of maximum employment, production, and purchasing power; the production of lower-cost housing of good quality; a directive to the administrative agencies of the Federal Government to exercise all powers, functions, and duties with respect to housing (as if they needed such directive); the production of housing of sound standards of design, construction, livability, and size for adequate family life; the use of new designs, materials, techniques, and methods; the use of standardized dimensions and methods of assembly; the increase of efficiency; the development of well-planned, integrated neighborhoods; the establishment of the housing industry at a high annual level of construction; plans for land uses, density, and other factors; the making of loans and capital grants; furnishing technical assistance; assuring compliance with statutory requirements; acquiring, clearing, and preparing sites for appropriate reuse; the absorption of losses; the dispersion or displacement of all persons now living in slums or blighted areas and their relocation; and the financing of schools and other public utilities.

Will you contend that such a program does not constitute a Socialist economy? Does it not possess all the patois of the party line? What do you think necessary to complete it? Free bread and free circuses? But do we not already provide an abundance of free bread? Make no mistake, Mr. Speaker, this is a colossal socialistic departure. It expands the limited and restricted program we enacted some years ago. It serves to demonstrate strikingly and eloquently the limitless cupidity of bureaucracy.

Mr. Speaker, we are told here categorically: "There is little disagreement that housing constitutes one of the Nation's most serious economic and social problems." This housing shortage, it is stated, "results from the fact that over the years we have never been able to produce enough housing at prices which a large proportion of the American people can afford, and many families have been obliged to live in wholly inadequate and unsuitable accommodations."

But that tells us nothing, Mr. Speaker. Certainly it does not tell us why we have not been able to produce enough housing



at prices which a large proportion of the American people can afford. But I can tell you why. You can find the reason in the history of America. You can find it in the spirit and the genius of private American industry. You can find it in the toil, the sacrifice, and the thrift of our people from earliest colonial days until we began the propaganda of a paternalistic government fashioned upon the design of free grants and free subsidies in every aspect of our national life. When, Mr. Speaker, did home building and home ownership become the function of the Federal Government? As I read our history, home ownership always has been a most fundamental, a most basic, private enterprise. That always has been true even in the rental of homes. But here we would make the Federal Government the landlord.

If there is a housing shortage in America today, I believe it is because the private home-building industry of the Nation is hindered and retarded by frustrating codes and jurisdictional disputes, and feather-bedding. I believe that the real remedy lies not in the creation of a new order of subsidies and grants, but in removing from private industry the fetters that now bind it.

Is not it just about time that at least we, Members of the Congress, began to see with clearer vision? Certainly, Mr. Speaker, we know better, or at least we should. Have not we now gone so far in this scheme of Federal grants and subsidies as to create in the minds of our people a vast, limitless hoard of ready cash here at Washington to be had but for the asking? Have we not created the phantasy of a money-making Federal Government rolling in wealth to be dispersed with lavish hand? Well, we are making paper money. We are making all kinds of paper wealth. And it is depreciating with every new issue. At our present socialistic rate we soon shall be forced to make it in bales and haul it about in wheelbarrows.

Under this scheme of stateism a public housing administrator is given blanket authority to "have outstanding at any one time" \$1,000,000,000 worth of obligations to be issued in such amounts as he may determine. Those obligations are to be purchased by the Treasury. Is that anything more than swapping paper?

How long, Mr. Speaker, can such a scheme endure? That is not wealth. Government cannot create wealth. The history of governmental finance bears eloquent testimony to that. There is no vast repository of cash here at Washington from which an endless, never-ceasing stream of real dollars can flow. Real dollars, real wealth, can be created only by industry and toil and thrift. Our national wealth has been created by a free industrial enterprise and millions upon millions of individual home builders, home owners, and homemakers.

Mr. Speaker, I find it increasingly difficult to believe that there is not an abundance of funds at lower levels for the purpose of home building. All our States are almost without debt. Many of them have lendable surpluses. Almost every

bank in the Nation—from the smallest to the largest—has funds available for loans to home builders. Our great private lending institutions have abundant funds available for this purpose. Yet, I should be willing to support the lending provisions of this measure. We should not go further than provide credits for people who want to build their own homes. Rural and small town people who support this proposal upon the theory that these are something of benefit in it for them will come to a sad awakening when they realize that of the more than nineteen and one-half billions of dollars that must be taxed out of all the people, there will be less than one-half of 1 percent that they will stand the remotest chance of getting. The whole thing is a colossal fraud, and if adopted will wreck the economy of the country.

I question not the motives of those who immediately bring this proposal before us. My opposition is based upon fear—upon fear of the ultimate consequences of such a violent departure from our traditional way of life. Would that we might profit from the history of the Republic. Even more so from the history of other states and other peoples. Certainly my good friend, the chairman of the Rules Committee, will not plead ignorance of the history of Egyptian bureaucrats. Has he forgotten the story of how they compelled the people to cry out to Moses for relief? They, too, dominated the building industry. But they dominated the people even more. They lashed the people; they imposed burdensome tasks upon the people; they exacted toil and sweat, and bricks without straw. And they drove his people from the land to seek refuge in the wilderness.

This bill, if enacted into law, will create a colossal bureaucracy. Bureaucrats will overrun our land, too. They will devour the people's sustenance. They will confiscate the people's wealth. They will impose onerous and burdensome tasks upon all of us. They will drive our people, too, into a wilderness—a wilderness of despair.

With great apprehension have I observed our progress during recent years, Mr. Speaker. You know that. Time and again have I been constrained to lift my voice against our progressive advance into a socialist state. Now we are here asked to declare a national housing policy and objective and to put that policy into effect through a new Federal agency with power to invade every home in America. Such a proposal as this goes beyond our traditional concept of American Government. It violates our concept of every man's home being his castle, a principle as old as time in Anglo-American jurisprudence.

Enact this socialistic scheme into law, create this vast omnivorous bureaucracy, and no home in America will be free from its invasion, or sacred from its trespass.

The SPEAKER. The time of the gentleman from Georgia [Mr. Cox] has expired.

(Mr. COX asked and was granted permission to revise and extend his remarks.)

#### EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Record in two instances; in one to include a broadcast, and in the other to include a speech made by her.

Mr. WELCH of California asked and was given permission to extend his remarks in the Record and include a resolution adopted by the San Francisco Board of Supervisors with reference to legislation now pending before this House.

Mr. PATTERSON asked and was given permission to extend his remarks in the Record and include an article from the American Nation.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Record and include a newspaper article.

#### LEAVE OF ABSENCE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. HOFFMAN], may be granted a leave of absence on account of official business.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### NATIONAL HOUSING ACT OF 1949

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill is properly named the housing bill of 1949, because during the 18 years I have been a Member of Congress there have been at least 30 different agencies that have attempted to build houses. Who has been in charge of most of those agencies? The first one was Henry Wallace. Then we had Harold Ickes. Then Harry Hopkins. Then we had Rexford Tugwell, then Dr. Alexander; so I think the gentleman from Illinois, my good friend [Mr. SARBATH], speaks very casually when he talks about this not costing anybody anything, when he says private industry and private enterprise are for this bill. I would ask him how in the world private industry could be for anything of such a nature in view of the past record of the administration of these programs by Tugwell and the others, their record in the realm of economy, and the reckless spending on such programs.

I would say that the principal reason I am opposed to this bill is it is my unqualified belief that this nor any other Congress has the right to tax one group of neighbors to provide some other neighbors selected by some bureaucrat with a ten or twelve thousand dollar home for which the second man will have to pay but a fraction while the first man will pay the remainder for him. We must not forget, Mr. Speaker, that at the present time there are 12,000,000 citizens of this country who are paying monthly installments on their own homes. Many of these 12,000,000 who are paying monthly installments went into cheap homes worth probably three or four thousand dollars. Many of these homes did not have modern conveniences; yet that individual in the good old American way works nights and Sundays to improve his bathroom and other



parts of his home. If, however, this bill is enacted into law his neighbor will march in and take over a home with all modern conveniences, while the first man who has been paying monthly installments on his home and has been trying to improve it in the good old American way by working with his hands will have to help pay for the new home for the neighbor. To illustrate, Mr. Speaker, we could take two individuals working side by side, making the same wages. One through frugality saved the down payment, we will say, of a thousand or fifteen hundred on his home and pays monthly installments of \$65 while the other man right beside him for a home with all modern conveniences will be paying but a fraction of that. Furthermore, at the present time there are approximately 15,000,000 people who now want homes, yet less than a million homes is provided under this bill. How will the million who are to receive homes be selected out of the 15,000,000 who want new homes? That is where the bureaucrats move in. Another thing, as has been mentioned by the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Georgia [Mr. COX], we must take into consideration our gigantic national debt which now stands at the total of \$252,000,000,000, or more than the total assessed valuation of all the property west of the Mississippi River. While Canada has given her people a 32-percent-tax reduction since the war, we continue to tax and tax, and spend and spend; while the national debt of Canada is only \$11,500,000,000; as I have mentioned, the national debt of the United States is \$252,000,000,000.

This bill will cost the taxpayers \$16,000,000,000. This is \$40,000,000 for every congressional district in the United States—\$40,000,000 will buy 4,000 homes at \$10,000 each. I am asking if each Member here expects to receive 4,000 homes in his district under this so-called program? We will be fortunate if we receive 1,000 units in our district. The remainder of the money will be dissipated through pay rollers, administration, and bungling. All we have to do to know this well is to look at the record of public housing the past 16 years.

Mr. Speaker, it has been emphasized here today by both the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Georgia [Mr. COX], relative to the rapid trend of our country toward socialism. This is not a partisan proposition because our beloved ex-Senator Byrnes recently said:

Every segment of society is demanding special privileges. Too many people want more pay for less work. Too many people are trying to transfer power to the Government. Where we will wind up, no one can tell. But if some of the new programs seriously proposed should be adopted there is danger that the individual, whether farmer, worker, manufacturer, lawyer, or doctor, soon will be pulling an economic oar in the galley of the State, with the Federal Government regimenting our lives from the cradle to the grave.

Mr. Speaker, that statement does not come from a Republican. It comes from a member of the Democratic Party who

served his Nation so well, bearing in mind, above everything else, that the salvation of this country shall not follow the isms of other countries.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Speaker, the subject of housing is one of the most vital domestic problems with which this Congress is confronted. Instead of comprehensive legislation, the Housing laws that have been passed since the end of the war are simply an unsystematic patchwork of legislation intermixed with the hope that the housing problem would take care of itself. Neither the patchwork nor the hopes have had very much effect on this problem, which is perhaps just as bad as it ever was.

Our experience over the past few years has clearly demonstrated that what is needed is a real national housing objective, a program which will provide Federal financial assistance for clearance of slums for low-rent public housing, for rural housing, and a comprehensive program of housing research. These are the things that have been neglected or overlooked in the patchwork of laws on the subject of housing that have been enacted over the past few years. But these are the things that go to the very core of the problem.

Housing conditions in St. Louis are deplorable. I know of no better place in the Nation to attack the problem of housing than my own city. Like other metropolitan areas, our great need is a program to provide low-cost homes and low-cost rental units. When I say low cost, I mean just that, not ten and fifteen thousand dollar houses or flats and apartments built to rent at a hundred dollars a month. Practically every house being built for sale or rent today is in the high-price brackets, out of the reach of the average purchaser or tenant.

In my opinion Federal assistance is absolutely necessary for cities such as St. Louis, if we are ever to relieve the housing shortage and eliminate slums. It has been estimated that there are anywhere from five to eight million families who are living in slums. A recent survey in my city showed that approximately one home out of four is in the substandard or slum category. It is shocking to learn that thousands of these dwellings are not equipped with sanitary plumbing facilities and a great many are not equipped with electricity. Most of these dwellings have long outlived their usefulness. Hundreds of these old residences become obsolete or uninhabitable each year. New construction is hardly keeping pace with those that become obsolete. During the first 4 months of 1949 only 303 building permits were issued in the city of St. Louis, which is somewhat less than for the same period last year.

Those that must live in substandard dwellings do not do so by choice. In the patchwork housing laws that are now on the statute books, emphasis has been placed upon high cost and high rental

housing. That does not help these people. It helps only those who can pay the high prices and the high rents. Those who cannot afford to pay live in hand-me-down homes and the slums that develop from older housing which is abandoned by the former owners seeking better places to live. Thousands of low-income families have never known anything else but ramshackle-hand-me-down hovels to call their home.

Up until now, nothing very much has been done to help those people whose income limitations require them to live in blighted areas. Much could be said about slums and their effect particularly upon children, but in a few words, I see in city slums an extravagant waste of human and other resources, which we cannot afford.

Thus far, those who have opposed public housing and the slum clearance legislation have not been able to offer a suitable alternative. Palliative measures have been urged but they do not go to the real problem of slums. Rather, they seem to work around it. It is my view that the only way slums will ever be eliminated is by the public acquisition and clearance of slum areas, with the assurance that they will be scientifically redeveloped in accordance with plans properly related to the growth and development of our cities.

I also believe that much can be accomplished by a comprehensive program of housing research. The housing industry is one that has not responded to technical advances as rapidly as others. There is no question but that a broad program of research would develop new methods and new materials which would contribute towards bringing down the costs of new housing.

This is probably one of the most important measures that will come before the Congress. It is vital to cities such as St. Louis, wrestling with the problems of housing and slums.

I am going to support the rule for the consideration of the housing bill, H. R. 4009, and I hope this legislation will be enacted into law.

(Mr. KARSTEN asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, H. R. 4009, now under consideration and known as the housing bill, if passed, will contribute greatly to relieve the housing crisis brought on by World War II and which is still existing in all the urban and industrial areas throughout the Nation.

I realize that some Members of this body, representing rural sections, cannot fully comprehend the highly critical condition in which veterans and workers of moderate and low incomes are tolerating during this housing shortage. Statements have been made on the floor of the House today regarding the great number of homes which have been constructed during the last few years. They failed to mention that the great percentage of this new construction are



homes ranging in prices from twelve, fifteen, and twenty thousand and up. The dire need in the industrial Calumet region of Indiana is for homes in the five, six, and seven thousand price range.

This legislation also provides for the clearing out of slum areas in congested urban centers. We know that slum areas not only breed disease and ill health among the occupying families, but they also provide fertile ammunition for communist agitators who are out using every available argument against democratic government.

The consideration of the rule for this bill was before the House Rules Committee several weeks ago. We held hearings on three different days and finally on reconsideration of an unfavorable vote, the Rules Committee reported the bill to the floor of the House. The principal argument used by the opponents of this legislation was that it was socialistic in nature. This same argument was used by the opponents of the original housing bill when it was before Congress back in 1937. When the Home Owners Loan legislation was passed a short time after the depression, the same criticism was offered. When the legislation was considered by the Congress in 1934 to guarantee bank deposits up to \$5,000, some of the opponents of this legislation maintained that it interfered with State's rights and was socialistic. Back during Woodrow Wilson's administration in 1916, when he sponsored the Federal farm-loan bill, the opponents of that legislation stated that it was socialistic and radical. In the year 1941, I remember listening to a 2-hour radio broadcast, celebrating the twenty-fifth anniversary of the Federal farm-loan legislation. Not one of the numerous speakers on that broadcast, in paying tribute to this great progressive legislation, mentioned anything about it being socialistic or radical after it served the farmers of this country for 25 years.

During the last 20 years, on a number of occasions, legislation has been passed by this Congress, aiding corporations and financial interests to pass over a critical period of their existence, but not one word concerning the socialistic aspects of that legislation was heard. I refer to bills calling for railway mail subsidies to the railroads; for legislation aiding banks to survive during the depression and immediately thereafter, and numerous bills of that type.

The passage of this bill will aid greatly in eventually reducing the slums and the trailer-camp areas which exist in every metropolitan city throughout our land. This bill will contribute greatly toward giving millions a little more confidence in democratic government than they ever had before. It will demonstrate that our Government is interested in the common man and his welfare and contentment.

I fully realize that this legislation cannot take care of everybody in the lower bracket who needs to buy a home within their price range, but at least it will demonstrate that our Government is trying to be of service in this deplorable housing crisis. We are spending billions

across the water to curtail the spread of communism; this legislation will be of untold value in curtailing the communistic agitators in the industrial centers throughout America.

This legislation has been too long delayed and should be enacted.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks and include a letter.)

Mr. MULTER. Mr. Speaker, without intending any reflection upon the good faith of my colleagues who may oppose this bill which will provide for slum clearance and public housing for the lowest-income groups, I am constrained to say that the forces outside of Congress alined against it have resorted to every low and foul trick imaginable. Misstatement, distortion, and worse have become their stock in trade.

There being no meritorious arguments available to them they resort to name calling.

They say the bill is bureaucratic, it is socialistic, it is communistic. Now they say it is political. As usual they resort to misquotation. The following letter from Mr. Charles Abrams, one of the country's foremost housing authorities, is a complete answer to this latest canard:

DEAR CONGRESSMAN MULTER: In the CONGRESSIONAL RECORD of June 7, 1949, at page 7529, appears a statement on Federal housing by Congressman CHARLES W. VURSELL purportedly quoting an excerpt from one of my columns in the New York Post Home News.

I do not wish to attribute to Congressman VURSELL any willful misquotation of an article, for I believe that he, as others, have been victimized by a small group of men who are lobbying against the current housing bill. However, the excerpt he quotes is not only taken out of context and distorted to attribute to it what it does not say, but worse, it is not the correct quotation from the article at all.

Because I believe the distortion is one of a series of reckless if not deliberate efforts to discredit the housing bill and those who favor it, I respectfully refer you to the full article which is set forth on pages 392 and 393 of the hearings on H. R. 4009.

The issue I was writing about opposed an effort by the Republican New York State Commissioner of Housing who supervises State-aided housing projects to have a bill passed in the State legislature requiring that he approve all sites selected by the New York City Housing Authority whether they involved city-aid or Federal-aid. Because I felt that the administration of housing in New York City had thus far escaped political control, thanks to its unique administrative set-up under the law, and because I felt that Stichman's move was politically inspired, I opposed any amendment of the law which would break down the authority's independence and subject it to political control.

The article read: "Stichman's aim seems to be entirely political. GOP control of the Housing Authority's operation would be a great political coup. The New York City Housing Authority looms as the big political plumb in the political orchard and the politi-

cian who dominates the Housing Authority controls the city's political destiny.

"Within a few years the families in public housing projects will be nearly 10 percent of the city's total, and the investment of the Authority exceed \$2,000,000,000, with all this means in construction contracts, patronage, and other rewards for the worthy.

"Selection of sites enables carving out blocks where hostile voters are numerous and retentive the projects with those who vote 'right,' while tenant relocation on vacant areas could change a whole neighborhood's political complexion."

"Under proper procedures, the city's independent planning commission is supposed to lay down a general plan indicating sites for housing. Both the planning commission and the housing authorities of the State were set up with safeguards against political meddling. But efforts by politicians to move into housing have begun.

"The Stichman bill would now collapse its independence with a simple blow. It should not only be defeated, it should highlight the fact that the people of the city will be ever vigilant in opposing any effort by any political clique, whatever its earmarkings, to make the underprivileged the plaything of politicians."

As the article indicated, it was the effort to put politics into housing that I was attacking. I was not saying that housing had already collapsed into politics as the excerpt implies.

The misquotation as given by Congressman VURSELL, however, read:

"Public housing is political housing . . . selection of sites enables carving out blocks where hostile voters are numerous and then retentive the projects with those who vote right.

"Within a few years public housing will dominate nearly 10 percent of the city's families in New York City and this will mean a tremendous volume of construction contracts, patronage, and other rewards for the worthy."

Nowhere did I ever say "public housing is political housing." Nowhere could it be conceivably implied that I was favoring political housing. The spurious sentence has been supplied in place of the actual statement reading: "Stichman's aim seems to be entirely political. GOP control of the housing authority operations would be a great political coup."

Now, I am sure that, while Congressman VURSELL is a Republican, his loyalty to his party does not include omitting an unwholesome reference to it and substituting for it a mysterious sentence made of whole cloth. I am rather inclined to think that he has been taken advantage of in the following way:

My article was first picked up by Headlines, which is published by the National Association of Real Estate Boards and which is one of the active links in the real-estate-lobby chain opposing this bill.

Headlines says:

"Mr. Abrams explains, in his newspaper article, just how public housing is political housing and a means of political control."

I immediately wrote to Herbert U. Nelson, executive director of the NAREB and one of the editors of Headlines, explaining that he had conveyed the wrong impression to his readers and asked him to publish my letter. Though I have known Mr. Nelson for many years and have received many letters from him, many of which are voluntary expositions of his theories, I did not receive even the courtesy of a reply to this one.

Yet, curiously, day after day, clippings from newspapers from all over the country came to my office in which the president of the NAREB was continuing to misquote the article at meetings throughout the country. It was again quoted out of context at the



hearings of the Senate and House. I would be willing to say it was all due to a mistake, were it not for an official list of instructions by the National Association of Home Builders, a close associate of the NAREB, which has come to my attention. It reads:

"Remember, the more noise you make, the more attention you will get. Go at it hammer and tongs. Make public charges that you can back up. Accuse your housing authority of squandering funds, of being inefficient and failing to live up to promises. Deride failure to clear slums and house the poor. If you put on a vigorous assault your newspapers will pay attention and your Congressman will see it. \* \* \* If your Congressman sees stories in his papers emphasizing the failures of public housing, he will be more inclined to vote against the pending measure."

Congressman VURSELL has either seen one of the misquotations in the press and borrowed it, or he has been given the misquotation by one of the members of the real-estate lobby.

On June 13, Headlines cited Congressman VURSELL's speech with favor and praise, and still with no effort to correct the misquotation, all of which completes the circle of distortion.

Now as to my own position on the political aspects of housing, which is the main point in issue. I have not overlooked the danger of subjecting public housing to political interferences and I have written upon this often, particularly in the *Future of Housing* (Harper and Bros., 1946, p. 285f). But there I distinctly said:

"Political pressure in the selection of personnel and tenants has been applied in large or small degree to most of the local housing authorities. Because of their independent structure, the authorities have generally succeeded in resisting these influences. The independence of the authority is most often a blessing to mayors importuned by tenants and district leaders for apartments. \* \* \* the accomplishments of local housing authorities have been little short of phenomenal. The excellence of the record may be partly attributed to sound division of functions. All of the technical and administrative work is performed by the paid staff. All of the policy making is done by the authority, often on the recommendation of the paid executive and his assistants. \* \* \* Can Government's administrative mechanisms attain the efficiency of private enterprise at its best, while the people still retain enough control of their agencies to assure democratic fulfillment of the functions? The housing record is short, mistakes have been made, policy may have to be modified, but the local authority experience has pointed the way."

The misconceptions sought to be conveyed by the real-estate lobby (which incidentally I am convinced is not speaking for the rank and file real-estate owner) is that since politics may be present in Government-aided enterprise, Government should therefore keep out of slum clearance, public housing, and all other governmental activities. It should be plain that politics intervenes in every activity of Government, including social security, flood relief, poor relief, taxation, education, and the post office. But it would be as senseless to recommend elimination of any of these functions as it would be to say that we should let ourselves be invaded by an enemy because defense might bring war contracts to worthy politicians.

When politics threatens in any field in which Government intercedes, it is the place of the citizen and the press to fight the intrusion, not eliminate the reform. We must not make the mistake of throwing out the baby with the bath water.

The effort to take over the New York City housing authority's functions was stopped in a few days by the exposure in the press.

The bill was withdrawn the day my article appeared. Far from being a demonstration of the evils of politics in housing, the speed with which the bill was withdrawn was a remarkable example of public alertness and press response.

Of course, public housing looms as a political plum. So does relief. So does every public works program and every city, State, and Federal expenditure that has ever been made. But the danger is far less in the relationship between a Federal agency and a local public agency than between a Federal agency and private enterprise seeking the Federal bounty. It is from building and loan associations benefiting from \$2,700,000,000 of Federal credit aid and from home builders looking for vast FHA benefits from which the major lobbying pressures against the housing bill have emanated.

The local housing authority in New York City, headed by Gen. Thomas F. Farrell, was and is an independent agency set up with safeguards against political interference and so far the people of New York, I believe, have been given a relatively nonpolitical administration of housing.

The authority members in other cities come mostly from the ranks of labor, banking, business, and the professions. They are in most cases unpaid. Terms of office of members are staggered so that no one political official will have the sole appointive power. No more than one city official may be a member. They have their own borrowing powers and the right to acquire land. Of the 500 active authorities throughout the country, not one major scandal has been revealed though billions have been spent. Construction cost has been low and building efficient. The local housing authority as a mechanism for fulfilling public functions has, I believe, turned in one of the most remarkable performances in the history of public administration. I consider it a demonstration that may well be copied in other fields.

I do not claim that every housing authority is or will continue to be free from political meddling. Nor can any public agency for that matter. But when that happens and when, as in this instance, the public is alert and responsive, it is an example of democracy functioning at its best. The experience, far from being an attack on housing authorities, was a signal tribute to them.

Sincerely,

CHARLES ABRAMS.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE].

(Mr. SPENCE asked and was given permission to revise and extend the remarks he will make in the Committee of the Whole and include a letter from Mr. William Green, president of the American Federation of Labor, and Commander Perry Brown, of the American Legion, in support of the bill and that the Clerk may be permitted to read both letters.)

Mr. SPENCE. Mr. Speaker, we are not considering the bill at this time. We are considering the matter of consideration of the bill.

Mr. Speaker, we are the representatives of the people. We, the people, adopted the Constitution and the people are the source of our power and our authority. The question here is whether or not the people, from whence comes our power, who have expressed their interest throughout the length and breadth of this land in this legislation, are entitled to have it considered by the House.

A vote against this rule is not a vote against the bill but is a declaration by the House of the United States that it does not care to function.

I have heard many cries of socialism. Always when we attempt to do something for the plain people you will hear that cry; but there was no cry of socialism when we bailed out the banks, the insurance companies, and the railroads, with billions of dollars and put them on their feet.

There was no cry of socialism when we helped the big interests, but now because of the aftermath of the war, with an emergency that still exists, when we want to help some of the people that carried our fight to the enemy and preserved our liberties, we hear the cry of socialism. I do not attach much importance to these prophets of evil, for we hear them every time conditions like this arise.

Who is in favor of this bill? Every labor organization in the United States. I have received permission to read a letter from William Green, president of the American Federation of Labor, and from Perry Brown, commander of the American Legion expressing the approval of the organizations they represent of the bill. All of the veterans organizations and all the labor organizations are heartily in favor of this bill. Would it not be an affront to the American people, for the House to refuse to consider this legislation and further considering the fact that 42 States have passed enabling legislation and the mayors of almost all the cities of any size recognizing the necessity of this legislation are heartily in favor of it. To say that we do not care to consider it; that we do not care to have it brought before the House; that we should vote down the rule and close our ears and shut our eyes to the great problems that are presented in the bill would show an utter disregard of our duty and would fail to heed the wishes of the people. Would that be the proper course for us to pursue? I think not, and I do not believe that you want to evade the issue. I do not believe you want to shut your ears to the arguments. I believe you want to hear this question discussed fairly and freely.

After some persuasion, the Committee on Rules granted a rule. It is an open rule. It provides for 8 hours debate. It provides for the offering of amendments. It will give every Member the right to express his opinion on this bill.

Furthermore, I want to say that at the proper time I, as chairman of the committee, will introduce an amendment reducing the number of housing units from 1,050,000 to 810,000 to conform to the bill that has been passed by the Senate. There will also be an amendment introduced that will extend title I and section 608 of title VI of the National Housing Act for 60 days in order that we may give some consideration to its extension as permanent law. We also intend to introduce an amendment that will increase the authorized insurance of title II by \$500,000,000, which will permit that section to function as the present authorization will be exhausted this month. Those sections



have been greatly advocated by the builders and the private industrial interests of the United States, and they will be included in this bill, and when you vote for the bill, you will vote to give these private interests that have made such a great protest against the bill an opportunity to get the assistance from the Government to obtain the necessary funds for the prosecution of their business. You, who have called this a socialistic enterprise, must remember that in 1937 we inaugurated the subsidized low-rent housing projects and there are 152,000 units now under the same provisions that are provided in this bill giving the people subsidized housing. Has that disturbed the ordinary processes of our Government? Has that taken away our liberties? Has that led us into socialism? I have got to say that I yield to no man in his admiration for the Constitution of the United States, but when the interests of the people are at stake, when big wars come, the Constitution even has to bend a little. But I do not think the Constitution has at all been invaded by this character of legislation. I think it is not contrary with the fundamental principles of our Government. We, the people, made the Constitution, and we, the people, can change the form of government without revolution. They can change it by the ballot and substitute any other form they desire.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Georgia.

Mr. COX. I do not understand that there is any concerted fight made on the rule. As far as I am concerned, I should like to see the rule accepted and then enter upon the debate on the bill.

Mr. SPENCE. I am glad that doubt has been dispelled.

Mr. COX. I never had any idea that there was any fight on the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Kentucky seems to be under the impression that there is some sort of organized opposition to this rule. I should like to say to him very frankly that I know of no organized opposition to adoption of the rule, and I presume that it will be adopted.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I am sorry I cannot yield. My time is too short.

Mr. SPENCE. There was an organized opposition to the rule.

Mr. BROWN of Ohio. I said I do not know of any organized opposition to the adoption of the rule.

I take this time, Mr. Speaker, for a little different purpose than that which has been expressed heretofore. There has been a great deal of talk in the last few days from those in very high places as to some sort of a sinister lobby which has been operating, presumably in Washington, in opposition to this legislation. I rise to call attention to the fact

that the only lobby or pressure activity that I have experienced has seemingly come from the other side from those favoring this public housing legislation.

I want to read into the RECORD a letter which has been sent to me in fact, I received several copies of this letter. It is from a housing authority. Before I read the letter, may I say that I have shown this communication to my colleague whose name is mentioned in the letter, as well as my own, the gentleman from Ohio [Mr. McSWEENEY], and I want to add that I am confident he has had nothing whatsoever to do in any way with the issuance of this letter.

This letter is on the letterhead of the Canton Metropolitan Housing Authority, of Canton, Ohio. It is dated June 18, 1949, and it reads as follows, I quote:

DEAR FRIEND OF HOUSING: The 1949 housing bill H. R. 4009 is finally scheduled for debate Tuesday, June 21.

#### I

Now, will you write or telegraph to Congressman JOHN McSWEENEY, House of Representatives, Washington, D. C., covering the following points:

(1) Thank him heartily for his enthusiastic support of H. R. 4009 in the rules committee.

(2) Request that he continue his support by constant attendance during debate.

(3) That he please vote against all crippling amendments.

(4) And that he register his final vote in favor of passage.

The opposition is, and will continue to be, terrific and relentless.

Please communicate with him now in your own name and for your organization and get others to do the same.

Congressman McSWEENEY has been very helpful—he needs some encouragement and backing today.

#### II

Please also write or telegraph Congressmen CLARENCE J. BROWN and STEPHEN M. YOUNG asking their support of H. R. 4009, address House of Representatives, Washington, D. C.

Yours for victory,

HAINES A. REICHEL,

Director for Canton Metropolitan Housing Authority.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. MARCANTONIO].

(Mr. MARCANTONIO asked and was given permission to revise and extend his remarks at this point in the RECORD and include some excerpts.)

Mr. MARCANTONIO. Mr. Speaker, I shall vote for the present bill merely because it is better than nothing. However, it fails by far to meet the real need. The committee itself admits that 1,300,000 non-farm-dwelling units are required every year for the next 11 years. Despite this admission, found on page 10 of the committee's report, the bill, with the committee amendment, provides for only 135,000 low-rent, public-housing units.

Housing is no longer a subject for partisan politics. Fifty-eight million Americans are now in desperate need of decent homes. We are the wealthiest industrial nation in the world. Yet thousands of building workers are out of jobs, while the need for homes increases every day.

It is tragically apparent and generally admitted that private builders have failed to supply housing for more than that third of American families which is in the higher-income brackets. The Government must act and act forthrightly and adequately this year.

This is why I introduce my housing bill, H. R. 4277. We can and we must start building 1,000,000 low-rent, public-housing units a year. The bill passed by the Senate (S. 1070) is little more than a sop to the people. The bill now before us doles out housing with an eyedropper and is pitifully inadequate. We have a job to do on a grand scale and we must face up to it.

Who are these 58,000,000 homeless Americans? They are not an abstract problem that we can consider in a half-hearted abstract way. They are our neighbors.

Three million American families have no homes at all. That means over 10,000,000 men, women, and children are living doubled up with parents and parents-in-law. They are crowded into nests so tightly they have no chance to live.

Thirteen million American families—that means 45,000,000 men, women, and children, are living in rotten old buildings which we blithely dismiss as substandard housing. We in New York and you in Chicago, Detroit, Philadelphia, and the other cities know what slums mean. The word is as deadly as atom bombs.

No one can expect to avoid epidemics and be healthy when he has no sanitation, no running water in his home. No one can hope for a decent family life when he sweaters through summer and freezes through winter with 8 or 10 families in a space not adequate or decent for 1.

This House knows the story. It knows, too, that there are rural slums for sharecroppers and low-paid mill workers. It knows the disgrace of housing in coal-mining communities in every part of the country.

Recently several parties from Congress went slumming right here in sight of the Capitol Building. The Members were shocked. They found a stinking, filthy, unhealthy mess. They found families living so close together it was almost impossible to breathe. They found brazen violations on a wholesale scale of the basic laws of sanitation and fire hazards. They found hell constructed in the Capital of the richest country, with the highest standards on earth.

The gentlemen were shocked. But the shocking thing is not that slums exist in the Capital. It is shocking that they continue to exist, and unless this Congress does something about it, they will go on existing for generations. And above all, the shocking thing is that these Washington slums are but examples of an inhuman practice that exists in every city, thousands of mill towns, in mining camps, and on farms throughout the land.

The gentlemen were shocked. But what did they do? They came back to Capitol Hill and they passed S. 1070—



a face-saving device that masquerades as a major solution to the housing problem. This bill, H. R. 4009, now before us, is another piece of face saving. It leaves most of the poorest and all of the great mass of the middle-class working people not a bit better off than they were before the bill was devised.

H. R. 4009 and S. 1070 are just another surrender in the long series of surrenders made by Congress on the housing question since the middle thirties. Now, we have heard the announcement of another surrender. The committee has agreed to offer an amendment reducing the number of low-cost units to 810,000 over a 6-year period. Real strides toward a national housing program were made during the administration of Franklin D. Roosevelt when model slum-clearance projects and Greenbelt towns were brought into being.

Everybody since then, including the administration, has been giving lip service to the housing crises, especially around election times. But when the test came in the 1949 budget, what did the administration ask for in meeting this greatest of all American problems?

Out of the \$40,000,000,000 Truman budget, all Federal housing activities are allotted \$38,000,000. The problem that worries almost half of America day and night, summer and winter, is given one one-thousandth of Federal expenditures. We can spare billions to arm strangers abroad but can hardly scrape up a few millions to help find our own war veterans decent places in which to live.

And, of course, though this may distress most tax-paying American citizens, it should make the housing lobbies very happy. The housing lobbies have been having quite a time of it this year. The Eighty-first Congress is not so bad for them after all.

The American people were asked by radio broadcast and newspaper headlines to believe they had won a great victory when Congress passed the Rent Control Extension Act with its joker provisions for local option and net operating return.

But the real-estate boys knew better. In the April 11 bulletin of the National Association of Real Estate Boards, President Ted Maener told the boys to waste no time sopping up the gravy. Under this heading "Realtors, here's a chance," he wrote, "if a real-estate board undertakes to organize city-wide committee representing the whole rental housing industry, it can (a) get decontrol as soon as possible and (b) get fairer rent control in the meantime."

The House bill fails to broaden the slum clearance and low-cost features of the housing bill passed by the Senate to make it into something that approaches the size of the job ahead. The building lobby is laughing up its sleeve along with the real-estate boards as a result of the bill now before us.

"Let private enterprise do it," they say while half of America goes homeless or lives in places unfit for animals. They do not care who goes homeless so long as they can squeeze exorbitant profits out of those who are frozen in whatever kind of shelter they now live.

"Let the low-income families buy economy homes," they say. Richard J. Gray, president of the building and construction trades department of the American Federation of Labor, gave the answer to that in his recent testimony before the House Committee on Banking and Currency. The so-called economy homes are so shoddy, he said, that we are simply building new slums.

Mr. Gray also gave the committee an inkling of another tragic consequence of this luxury building policy when he testified that while the country is crying for homes, 10,000 members of the building-trades unions in New York alone are unemployed.

That we cannot go on relying on private initiative in the building industry is apparent. Government action is the only alternative. But it must be action to fit the need. We know that 3,000,000 families have no homes now at all.

We know that 13,000,000 families are living in pestilential slums in cities, mill-towns, mining camps, and farms.

We know that there are half a million families formed each year and that half a million old houses become completely uninhabitable each year.

So we know that right now 17,000,000 families—58,000,000 people—desperately need homes.

What does this bill as amended do about this need? It provides for 135,000 dwellings units a year over a 6-year period, in the low rental field. The committee has now agreed to conform the House bill to this figure.

With half a million new families being formed each year and half a million old housing units being abandoned each year, that number is tragically short. The program would not begin to keep up with current needs. After 6 years the Nation would be worse off than it is now.

My bill, H. R. 4277, on the other hand, provides for the building of half a million low-rent units a year for 8 years, until 4,000,000 units are constructed.

In handling slum clearance, H. R. 4009 gives no real thought to what will become of the thousands of families moved out of the slum. H. R. 4277 provides that no family shall be forced to move until a 3 percent vacancy ratio has been created in accommodations at comparable rentals. Appropriations for slum clearance are the same in both bills.

Witnesses for both the American Federation of Labor and the Congress of Industrial Organizations have testified before the House committee that S. 1070 will not in any way provide for the great mass of wage earners. The Senate passed legislation completely neglecting 60 percent of the people. Those whose incomes are so low that they can pay up to \$30 a month are taken care of through the limited amount of subsidized housing provided for in the bill. But even here the provisions are so skimpy there is bound to be a wild scramble to get the projects, with first come, first served techniques. What small mining camp or mill town can hope to compete with the vast underprivileged areas of the cities? The House bill likewise fails to meet this situation.

On the other hand FHA insured housing is available only at levels too high for most working men and women to pay. Rental or purchase price payments range from \$85 to \$150 a month for this type housing. The average is \$96 a month. What steelworker, what white-collar worker, what self-employed family can afford that kind of housing?

Sixty percent of us fall in the gap between the \$30 payment and the \$96 payment and H. R. 4009 does nothing for us.

H. R. 4277 meets this need squarely. My bill authorizes the issuance of \$25,000,000,000 of notes by the housing authority. It authorizes Federal contributions of \$1,600,000,000 over an 8-year period. Under this title it provides for meeting the annual need through 4,000,000 units.

And H. R. 4277 goes farther. It authorizes the guaranty of \$5,000,000,000 a year for 5 years for construction of low-cost nonsubsidized housing. These bonds would be sold to the public and every dollar would be returned after buying its part of decent housing.

H. R. 4277 authorizes \$25,000,000 for research in housing. It authorizes 500,000,000 for loans for potentially adequate farms. H. R. 4277 authorizes \$60,000,000 at \$20,000,000 a year for migratory workers.

Finally, H. R. 4277 meets the question of race discrimination where it exists in ugly reality—in housing. It prohibits discrimination in past, present, or future housing in which the Federal Government has had a hand.

It is time America made up her mind whether she is a democracy. If so, she will provide housing for all races on an equal nondiscriminatory basis. The time for fine speeches has passed. If we mean what we say we will put the law into effect.

We hear great speeches about the housing lobby and the real estate lobby and other lobbies from all parties. What has Congress done? We have passed a rent control bill that the lobbies like. Let's pass a housing bill that the people like.

My bill is the only bill before Congress which gives substantial aid to families now living in slum areas, to low- and middle-income families, to small farmers and sharecroppers. This is the only bill that authorizes direct aid to the housing problems of the migratory workers.

The cost is trifling compared with the cost of armaments. Capital expenditures are limited to the subsidies. The loan funds do not represent a capital expenditure.

If we wish to show our own people and the world that we are a great democracy, we must have homes for the people that make up that democracy. We must consider homes as important as warplanes or atom bombs. We must make it clear that in a democracy a Negro needs a home and is entitled to a home, just as much as a white man.

If we come up again with too little, too late, the consequence will be incalculable. America, where 58,000,000 citizens are in desperate need of homes, must act.

Here again, we have another example of the effect of the cold-war economy



on the people's needs. Twenty-four billion dollars for war and no real adequate housing for 16,000,000 American families.

COMPARISON BETWEEN H. R. 4277 AND H. R. 4009

TITLE I. SLUM CLEARANCE  
H. R. 4277

Section 105 (c): No demolition until there is 3 percent vacancy ration in accommodations of comparable rental.

Section 102 (c): To obtain funds under this title authorizes issuance of obligations by Secretary of Treasury as follows: \$25,000,000, to be increased by \$225,000,000 on July 1, 1950; \$250,000,000 on July 1, 1951; \$250,000,000 on July 1, 1952; \$250,000,000 on July 1, 1953; \$1,000,000,000, total.

Section 103 (b): Authorized to make capital grants as follows: \$100,000,000 after July 1, 1949; \$100,000,000 after July 1, 1950; \$100,000,000 after July 1, 1951; \$100,000,000 after July 1, 1952; \$100,000,000 after July 1, 1953; \$500,000,000, total.

H. R. 4009

Section 105 (c): Leaves it to discretion of local governing body.

Section 102 (e): Same amounts authorized.

Section 103 (b): Same amounts authorized.

TITLE II. LOW RENT PUBLIC HOUSING  
H. R. 4277

Section 204 (h): Authorizes issuances of notes by Authority in the amount of \$25,000,000,000.

Section 205 (a): Authorizes annual contributions as follows: \$200,000,000 in 1949 plus \$200,000,000 a year for 7 more years. Total subsidy for 8 years, \$1,600,000,000.

Dwelling units: 500,000 units a year for 8 years or a total of 4,000,000.

H. R. 4009

Section 204 (h): \$1,500,000,000.

Section 205 (a): \$85,000,000 in 1949 plus \$80,000,000 in 1950, plus \$80,000,000 in 1951, plus \$80,000,000 in 1952, plus \$75,000,000 in 1953, \$400,000,000, total.

Dwelling units: 1,050,000; 135,000 units a year for 6 years or a total of 810,000 (pursuant to committee amendment).

TITLE III. LOW-RENT HOUSING WITHOUT CASH SUBSIDY  
H. R. 4277

Section 301 (3): Authorized to guarantee \$5,000,000,000 a year for 5 years.

H. R. 4009

No provision made for low-rent housing without cash subsidy.

TITLE IV. HOUSING FOR DISABLED VETERANS  
H. R. 4277

No specific sum authorized.

H. R. 4009

No special provision made for disabled veterans.

HOUSING RESEARCH  
H. R. 4277

Title V appropriates \$25,000,000.

H. R. 4009

Title III: No specific sum; provides "such sums as may be necessary."

FARM HOUSING  
H. R. 4277

Title VI

Section 610: Secretary may issue notes for loan funds for dwellings on either adequate or potentially adequate farms as follows: \$50,000,000 after July 1, 1949, plus \$100,000,000 after July 1, 1950, plus \$150,000,000 after July 1, 1951, plus \$200,000,000 after July 1, 1952, \$500,000,000, total.

Section 611: Contributions for dwellings on potentially adequate farms are author-

ized as follows: \$2,500,000 after July 1, 1949, plus \$5,000,000 after July 1, 1950, plus \$7,500,000 after July 1, 1951, plus \$10,000,000 after July 1, 1952, \$25,000,000, total.

Section 612: Authorizes \$60,000,000 for migratory workers at \$20,000,000 per year.

Section 613: Appropriates for grants for repairs and improvements: \$1,000,000 after July 1, 1949, \$2,500,000 after July 1, 1950, \$4,000,000 after July 1, 1951, \$5,000,000 after July 1, 1952, \$12,500,000, total.

H. R. 4009

Title IV

Section 411: \$25,000,000 after July 1, 1949, plus \$50,000,000 after July 1, 1950, plus \$75,000,000 after July 1, 1951, plus \$100,000,000 after July 1, 1952, \$250,000,000, total.

Section 412: \$500,000 after July 1, 1949, plus \$1,000,000 after July 1, 1950, plus \$1,500,000 after July 1, 1951, plus \$2,000,000 after July 1, 1952, \$5,000,000, total.

No provision made for migratory workers.

Section 413: Same amounts appropriated.

TITLE VII. MISCELLANEOUS PROVISIONS

H. R. 4277

Section 706: Amends Civil Rights Code by prohibiting discrimination by segregation or otherwise in past, present, or future housing.

H. R. 4009

No provision made.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

HOUSING ACT OF 1949

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SWISS CLAIMS BILL

Mr. RICHARDS submitted the following conference report and statement on the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor:

CONFERENCE REPORT (H. REPT. NO. 877)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment to the text and its amendment to the title.

JOHN KEE,  
JAS. P. RICHARDS,  
THOMAS S. GORDON,  
CHARLES A. EATON,  
JOHN M. VORTS,

Managers on the Part of the House.

CLAUDE PEPPER,  
THEODORE FRANCIS GREEN,  
H. C. LODGE, JR.,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The substantial differences between the House version and the Senate version of the bill pertain to the amount to be authorized and the scope of the settlement. The House version sets the amount at not to exceed \$16,000,000. The Senate version sets the amount at \$10,607,000. The intention behind the House version is that the legislation should authorize an amount sufficiently large to pay for the principal on all claims now agreed to, plus all possible further relevant claims for damages as may be agreed upon by the two Governments, and also to pay such interest on these claims as the United States Government may concede to be allowable under the traditional rules of international law. The House version would leave the adjustment of amounts to the further actions which will be necessary in appropriation legislation. The Senate version would provide only for the settlement of principal on such claims as had been agreed to by the two Governments at the time of the introduction of the legislation. The members of the committee of conference representing the Senate recede and thus the House version is the one accepted.

The interest rate to be allowed on the recognized claims is a matter for negotiation between the Government of the United States and the Government of the Swiss Republic. It was the unanimous view of the members of the committee of conference representing both Houses that the interest as finally determined should not exceed 3½ percent.

JOHN KEE,  
JAS. P. RICHARDS,  
THOMAS S. GORDON,  
CHARLES A. EATON,  
JOHN M. VORTS,

Managers on the Part of the House.

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the conference report.

Mr. RICHARDS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4009) to establish a



national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4009, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield 25 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

[Mr. BUCHANAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BATTLE. Mr. Chairman, recently the following deputies from the National Assembly of Panama visited our Congress: The Honorable Felipe O. Perez, the Honorable Luis Raul Fernandez, the Honorable Norberto Zurita, and the Honorable Aquilino Boyd.

During their visit these deputies presented to the Speaker a scroll bearing greetings from the National Assembly of Panama. A translation of those greetings is as follows:

[Coat of arms of Panama]

[Flags of Panama and the United States]

To the Congress of the United States of America, greetings:

Whereas the Honorable Deputies Felipe O. Pérez, Raúl Arango N., Aquilino E. Boyd, Luis Raúl Fernández, Bernardino González Ruiz, and Norberto Zurita are traveling to the United States of America on an official mission of this assembly;

Whereas advantage should be taken of this circumstance in order that the aforementioned honorable deputies may carry a message of cordiality from the National Assembly of Panama to the Congress of the United States of America, the National Assembly of Panama—

Resolves to express its desire that the Congress of the United States of America may achieve the greatest success in its legislative labors, for the satisfaction of the people of the United States and the general benefit of the cause of America.

Panama, May 7, 1949.

ARCADIO AGUILERA O.

The President.

ROMUALDO MORA P.,

The Secretary.

[Embossed seal of Republic of Panama.]

(Mr. BATTLE asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, nothing can be more authoritarian or communistic than political ownership or control of human shelter. People willing to live in houses owned by any political unit, local, State, or Federal, become in the very nature of things pawns in the hands of politicians. The votes of persons occupying so-called low-rent housing, as provided in previous legislation and as proposed in the pending bill, can be almost tabulated before they are cast.

Testimony was given before the committee, as shown in the hearings—page 569—that Langdon W. Post, a regional director of the Federal Public Housing Administration on the west coast, in his book, *Challenge of Housing*, referred to public housing as a "new brand of political fruit which has enormous possibilities for exploitation."

Further, that Charles Abrams, while consultant to the United States Housing Authority, admitted in his book, *Revolution in Land*, that—

Public housing is a great field for political intrigue and offers many opportunities of personal advantage of the unscrupulous.

Further, that Mr. Abrams is still an aggressive proponent of public housing and frequently quoted by administration leaders in recent Senate debate, wrote in the *New York Post*, January 19, 1949:

The New York City Housing Authority looms as the big plum in the political orchard, and the politician who dominates the housing authority controls the city's political destiny.

Within a few years the families in housing projects will be nearly 10 percent of the city's total (that is New York City) and the investment of the authority will exceed \$2,000,000,000 with all this means of construction contracts, patronage, and other rewards to the worthy. Selection of sites enables carving out blocks where hostile voters are numerous and then retenanting the project with those who vote right, while tenant relocation of vacant areas could change a whole neighborhood's political complexion overnight.

In my minority report on this measure I briefly describe a first-hand experience of my own with the sordid use to which this scheme is being put. That consisted of a brazen attempt in 1938—I was mayor of Marion, Ohio, and a prospective candidate for Congress at the time—to use a million dollars of taxpayers' money to buy outright the reelection of the incumbent Member of Congress from my district, in the guise of providing low-rent housing for poor people of that city.

This deceptively termed low-rent housing is the darling of the left-wing forces who are striving to substitute a politically planned and controlled economy for a natural or voluntary economy; for the supplanting of private laissez-faire with political laissez-faire, the private profit motive with the political profit motive, exchange of services effected by reciprocal self-interest which is the source of mutual justice and the very foundation of civilization with politically dictated exchange of services which is the basic device for plundering the producing group; in a word, the police or

barbarian state for a contractual and civilized order.

This bill calls for the construction of 1,050,000 low-rent dwelling units which obligates the producers of the Nation in taxes to the amount of \$16,000,000,000.

Proponents of this bill contend this sum would not be needed, that the amount of taxes actually required would not exceed more than two-thirds or three-quarters of the \$16,000,000,000 (see majority report, p. 20). They base this claim on past experience in the financing of housing under the United States Housing Act of 1937. This is a spurious assumption. Only experience with this particular measure could possibly tell us whether or not all of the \$16,000,000,000 would be needed. Since it would be necessary to appropriate \$16,000,000,000 of taxes to provide a market for the securities to finance the construction of the projects common honesty demands that a like amount would have to be placed on the debit side of Treasury's ledger.

This is an ominous proposal even if the money cost did not exceed ten or twelve billion dollars considering the additional power the Federal political authority would acquire to that which it already exercises over practically all phases of the home-building industry, such as the provisioning of materials, construction, financing, cost, and so forth, of dwellings, and their disposition; the control over rental property which it exercises over about 14,000,000, or approximately one-third of all the dwelling units in the United States, which in effect has dispossessed their rightful owners of their title to them, such rights as remain being contingent rights and dependent upon existent and future political power; and, finally, bearing in mind that the producers of the necessities of life are already bearing a tax burden that is annihilating risk capital, the very matrix of free enterprise and progress.

But what is even worse is the fact that passage of the pending bill would revive and give strong impetus to the program, which, according to its promoters envisions the construction of many millions of politically owned dwelling units at a money cost so vast as to be beyond human comprehension and the absorption by the political profession of an enormity of economic power.

I have repeatedly stated that the United States Housing Act, of which H. R. 4009, is essentially but an extension, is a most deceptive and dishonest piece of legislation, and I now again so state. The designation "low-rent public housing" is a false designation. The houses built under the United States Housing Act of 1937 and those that would be constructed under title II of this bill can in no sense be considered as low-rent dwellings. The rents actually charged to the occupants may or may not be low in comparison with rents generally charged, but everyone knows that is not the whole story.

Assuming the testimony of the proponents of this measure with respect to the cost per dwelling unit is correct, the



bill provides for subsidies amounting to an average of \$380.95 per year per dwelling unit. And this does not take into consideration all of the subsidies. The fact is that instead of them being low-rent houses they are outrageously high-rent houses exceeding anything this Nation ever dreamed of. This will be better understood when it is realized that the average rent paid by tenant families in the United States in 1947 was only \$352.

The principal spokesmen for political housing persist in reiterating that this falsely designated low-rent housing is available only to the lowest income group, that is, to slum dwellers and the poorest people generally. Mr. Thomas A. Danahey, former president of the Detroit Housing Commission, was an outstanding exception. He forthrightly stated the facts when he said:

In the first place, it must be made clear that they will not be rented to slum residents or welfare clients. The tenants in these buildings will be people with definite minimum incomes and to be eligible to move in they must prove that their incomes are steady. There seems to be an impression that the slum residents are going to take the buildings over. Such is not the case.

Of course, it was no accident that the alleged definition in the law of eligibility was made just about as flexible as the average political promise. The scheme was deliberately devised to provide rental housing only for families having an income and credit rating so high as to disqualify slum dwellers and the poorest people generally from having access to it. There is more political spoliation to be had from housing families with substantial incomes than there is from housing the poorest people.

An outstanding example of the deception practiced to sustain the claim that this so-called low-rent housing is available only to slum dwellers, and the poorest people will be found in a publication entitled "The Seven Myths of Housing," written by Nathan Straus and published in 1944. Mr. Straus was formerly Administrator of the United States Housing Authority and one of the principal authors of the United States Housing Act of 1937. He also played a leading role in the writing of the amendments to the United States Housing Act contained in the pending measure, H. R. 4009. If you have any doubts about this, read his book, above referred to. In fact the same old crowd that contrived the United States Housing Act of 1937 and wheedled it through Congress is also the principal author of the pending bill and the main force behind its passage. Whoever has followed this movement can see Leon Keyserling, Vice Chairman of the President's so-called Council of Economic Advisers, sprawled all over it. On page 10 of Straus' work will be found a table showing that 92.4 percent of the families occupying so-called low-rent housing were from the lowest-income third. As will be seen in the footnote on the page above referred to, the classification of incomes was an arbitrary one devised by the United States Housing Authority under the direction of Mr. Straus himself,

and showed the lowest-income third as less than \$1,200.

Why did not Mr. Straus use the classification of incomes put out by the National Resources Planning Board which he says on page 225 of his book was "an organization of experts?" Simply because the picture would have been quite different than the one he painted.

Using that classification which gave \$780 as top figure of the lowest income third, I showed in testimony given before the House Committee on Banking and Currency, as appears in the CONGRESSIONAL RECORD, July 24, 1939, page 13827, that only about 17 percent of the families eligible for occupying the dwellings in the projects from which I was able to obtain the pertinent information were from the lowest income group and those were from the uppermost part of it. More than 80 percent of the remainder had incomes in excess of those of the lower third, and some had incomes which put them in the top income third. I should mention that these data were worked up from material pertaining to eight housing projects in New York, Texas, and Florida. The housing authorities over these projects were the only ones from whom I was able to obtain this material, though I requested the same from many other local housing authorities.

One of the most blatant deceptions contained in the pending measure is that which attempts to make Members of Congress and the public believe that the source of funds for the construction of the housing projects would be different in kind if the local housing authority raised the money than would be the case if the Treasury provided it.

In section 204 we read under the caption "Private financing":

SEC. 22. To facilitate the enlistment of private capital through the sale of public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects.

Mr. Raymond M. Foley, Housing and Home Finance Administrator, accompanied by John Taylor Egan, Public Housing Commissioner, before the House Committee on Banking and Currency, April 7, 1949, made the following statement:

By various amendments to the financing provisions of the United States Housing Act, title II, would make it possible to carry out substantially all the permanent financing of projects through the sale of local housing authority bonds to private investors rather than through borrowing from the Federal Government.

The above provision in the pending measure and the statement of Mr. Foley are intended to imply that the funds obtained through the sale of bonds by the local housing authorities represent private capital, whereas the funds obtained by the Treasury through its issues do not represent private capital. Furthermore, the way the proponents of this measure put this proposition would convey the idea that the funds raised by local housing authorities would represent risk capital. Surely those not fa-

miliar with the procedures involved would be inclined to place these interpretations.

This is astounding, to say the least. Is there any other source from which funds can be obtained for the construction of any public building than that of private capital? And if the intention is to convey the impression that the private capital would be risk capital it is a fraud of the first order.

The procedures involved in financing the construction of this falsely designated low-rent housing are so beclouded by the intervention of the Federal Public Housing Administration, the so-called local housing authorities and annual Federal contributions as to make them obscure. Equivocation was necessary to promulgate some decidedly false beliefs. One of them is that local housing authorities are independent and locally owned entities, whereas they are owned de facto by the Federal political authority the same as post offices and other Federal structures, local housing authorities being but dummies of the Federal Public Housing Administration which is itself but an agency of the Federal political authority. Another is that the source for the financing of the housing projects is different in kind when securities are sold by the local housing authorities than would be the case if they were sold by the Treasury, which upon analysis will be shown to be wholly illusory. It is the Treasury that raises the money to pay the interest on and amortize the construction costs of the projects. In the final analysis, this bill, H. R. 4009, in unmistakable terms provides for the financing of the full cost of the housing to be built under it by the United States Treasury. There it is in the bill and will not be disputed by any person having respect for the truth.

It is to the United States Treasury that purchasers of bonds to finance the construction of the projects look for their interest and repayment of capital, not to the local housing authorities. Give to the provision in the bill pledging annual contributions amounting to \$400,000,000 over a period of 40 years totaling \$16,000,000,000 its proper designation by substituting the word appropriations for that of annual contributions and it becomes clear that the procedure resolves itself into a Treasury transaction pure and simple.

The pending bill provides, page 35, beginning line 6—

That in any event such annual contributions (appropriation) shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security.

Mr. John Taylor Egan, Public Housing Commissioner, testified before the House Committee on Banking and Currency, as shown on page 62 of the hearings, that the cost of the 1,050,000 dwelling units proposed to be built under this



bill would be approximately \$8,900,000.-000. On the basis of financing this cost at the going Federal rate of interest, 2½ percent, over the 40-year period, the \$16,-000,000,000 would more than meet such cost by approximately \$800,000,000.

It is of the utmost importance to recognize the fact that the capital, \$8,900,-000,000, for constructing the projects would have to be raised by deficit financing, that the public debt would be increased by that amount, but that this would not appear on the Treasury statement. The debt would be hidden, which is accomplished by the ingenious device of issuing the bonds against the so-called local housing authorities instead of the Treasury. If a private person did a thing of the kind he would be sent to the penitentiary.

Because of its political character, this so-called low-rent housing scheme can by no stretch of the imagination be expected to eliminate the slums of the Nation because it does not remotely touch their cause. On the contrary, it can and it will have the effect of impoverishing the Nation and aggravating the very condition its proponents claim to cure. All history shows that politics is essentially a destructive force and tends ever toward the degradation of society and free enterprise, which is the one and only source of social and economic progress.

The funds for the construction of the dwellings would have to be expropriated out of private savings, which if left to those who created them would be used to benefit society. If confiscated, as H. R. 4009 provides, those savings, in the nature of things, would serve the interests of politicians and injure society.

This measure violates every equitable principle of taxation. Though it is unfair to taxpayers generally, the poorest people receive the unkindest cut of all. The latter, considering their economic status, bear a proportionately heavier burden of consumer and other taxes than do those who are eligible to occupy these politically owned houses. Out of their meager income the poorest people must pay tribute for the cost of constructing such dwellings, and to subsidize the rents of families with incomes higher than their own, some as high as \$12,000. Notwithstanding, the poorest people are deprived from occupying those houses. Could anything be any more antisocial and more heinous?

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. One thing that is brought out very clearly and is evidence everyone can understand is that these Public Housing Authority bonds are to be sold with a yield of 2 percent or less. A yield of 2 percent or less is only obtained from Government bonds. These are essentially Government bonds because the Federal Government pledges the annual contributions to be used by the Federal authority to pay the interest and to retire these local authority bonds. If the gentleman will look at the rate of 2 percent or less on these bonds, which it is anticipated the bonds will

bear, he can see they must be Government bonds and can be nothing else.

Mr. SMITH of Ohio. I appreciate the contribution.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. ELSTON. I notice the gentleman referred to the fact that the statement was made that possibly all of the money authorized by this bill might not be used and might not be required. Does the gentleman know of any instance since his service in the House, or before, when the Federal Government asked for an authorization, then did not use it?

Mr. SMITH of Ohio. It would be pretty hard to find an instance of that kind.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. JENKINS. For about 10 years we have been meeting every year, sometimes semiannually, and have voted money for housing which total many millions or billions of dollars I presume up to this time. I should like to know from the gentleman whether there is any collation in groupings that the gentleman can put in the Record to show how much we have appropriated during these years for this kind of work? Especially I am interested in the time when Mr. Wilson Wyatt was working on this proposition. A great fight was made at one time to give Mr. Wilson Wyatt wide opportunity, yet his program flunked out entirely. He went back to Louisville, from where he came. I would like to know when we are going to quit appropriating this money? The best way to determine that for me is to know how much we have appropriated.

Mr. SMITH of Ohio. Those figures are available and I think they could be put in the Record.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Illinois.

Mr. CHURCH. The Appropriations Committee is definitely bypassed on this bill, is it not?

Mr. SMITH of Ohio. The gentleman is correct.

Mr. CHURCH. Only the administrative small amount of money may be appropriated by the Appropriations Committee, is that right?

Mr. SMITH of Ohio. For administrative purposes. The gentleman is correct.

Mr. CHURCH. Does the gentleman anticipate that interest on the bonds will ultimately have to be appropriated by the Appropriations Committee?

Mr. SMITH of Ohio. Well, the \$400,-000,000, the so-called annual Federal contribution is an annual element of appropriation. Those are annual appropriations.

Mr. KUNKEL. But the Appropriations Committee is just as much obligated to make that appropriation as it is to make appropriations to pay the interest on the Federal debt because the credit of the United States Government is pledged

for this as it is pledged back of all Government bonds.

Mr. SMITH of Ohio. That is precisely so.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, we have known for a long time that this country faces a major problem of slums. Investigation after investigation has shown that our slums are growing and that our cities are running down hill.

Figures compiled by the Bureau of the Census show that over 5,000,000 families live in urban slum areas. The results of these conditions are twofold. Of first importance is the fact that the slums are draining our human resources—the most valuable asset of the Nation. Second, they are draining the lifeblood of our cities, threatening their solvency and preventing them from fulfilling their role in the national economy.

Take my own city of Newark, for example. In one slum area at least three out of every four dwelling units are in need of major repair or lack a private bath. The area has the highest rate of overcrowding in the city and over half of its housing accommodations are in structures built before 1900.

This is the section of the city which over a 5-year period had a record of 165 juvenile delinquents, compared with 1 for a corresponding area characterized by good housing conditions. Similarly, the mortality of infants less than a year old was at a rate of 36 in the slum area compared to one in the good residential section. Data on the incidence of tuberculosis, communicable disease, fire losses, crime, and other social ills follow similar patterns. It is not necessary to recite the details; they are the same for all cities the country over which have slum and blighted areas—and nearly all of them do. The figures merely high light the social losses in terms of human values that accompany bad housing and bad environmental conditions.

At the same time, these slum areas are a heavy financial drain upon municipal budgets. They cost a city far more for municipal services than they yield in tax revenues. I illustrate again from my own city of Newark because I know it best. In 1946, the same slum area that I mentioned before cost the city about \$380 per year per dwelling unit, which is the excess of expenditures over revenues on the average. The good area, on the other hand, netted the city some \$420 in tax revenues over and above the cost of servicing that housing. The picture is the same if measured on a per capita basis. Data for other areas and other cities differ only in degree. The basic pattern is the same everywhere.

Clearly cities cannot continue to finance these deficit areas indefinitely and remain solvent. Their progressive decay must be arrested and reversed as promptly as possible. Further delay only means that the slums to be cleared will be larger, the local resources for the clearance job will be diminished further,



and the losses to business, to Government, and more especially to the people both within and without slum areas will be increased. Because of the size of the job and the length of time it will take, a start must be made as soon as possible.

There is one point I should like to make clear in connection with urban redevelopment. Although decent homes should be provided for present slum dwellers, it does not necessarily follow that slum areas should be redeveloped with public housing. On the contrary, there is good reason to believe that a large part of these areas can be redeveloped by private enterprise and this is the principle behind title I of H. R. 4009.

For several reasons, slum land costs too much for private enterprise to acquire it, clear off the old buildings, and redevelop it in line with the most desirable uses. Under this legislation public funds would be made available for the acquisition, clearance, and the replanning of these areas. The land then would be made available for redevelopment at prices commensurate with its new use, with the loss from this operation being absorbed by Government. The Federal Government would assist local communities in two ways. First, it would provide repayable loans, up to \$1,000,000,000 over a 5-year period, to enable the local communities to finance slum acquisition, clearance, and replanning. Then it would provide grants, not to exceed \$500,000,000, over a 5-year period, to share with the local communities, on a 2-to-1 basis, the loss which they would incur in acquiring and clearing the land and making it available for redevelopment at prices which would be attractive to private enterprise and in line with sound reuse of the land.

The Joint Committee on Housing found that, if anything was to be done to clear up these slums, the Federal Government would have to assist the local communities. The best evidence is that, although urban redevelopment legislation exists in half of our States, it is largely inoperative because of the lack of adequate funds. Even where a start has been made, as in Detroit, city officials have testified that they will be unable to go beyond the present limited program because of lack of financial resources. According to a subcommittee report, 42 out of 45 mayors in States having urban redevelopment legislation said that Federal assistance would be necessary. The 2-to-1 matching basis for grants was arrived at as probably the most equitable formula in consideration of the mutuality of interest and the respective financial abilities of the Federal Government and the localities.

H. R. 4009 recognizes the close relationship which exists between slum clearance and housing, although the two programs are actually separate. The bill obligates local communities to assure the availability of adequate housing for all families who will be displaced by slum clearance. It is specific in requiring that temporary housing and eventually permanent housing, which is decent, safe, and sanitary, be provided for all these families, including those belonging to

minority groups, at rents and prices they can afford to pay and accessible to their places of employment. This is the link which joins the slum-clearance and housing programs. It calls for a statesman-like approach to the urban-redevelopment problem on the part of the local communities. It will involve reliance in some cases on public housing, in the redevelopment areas or elsewhere, to meet the needs of the lowest income families. It will call for reexamination of the plans for the locality's development to fit the required rehousing into the over-all pattern of the community. This will be especially necessary in cities like Newark, for example, where vacant sites are scarce and expansion of the urban area is difficult.

Obviously, to do this planning and to meet these requirements, without causing undue housing hardship to displaced families, will take time. Also time-consuming is the process of land acquisition—another step that must be taken before actual rebuilding of blighted areas can take place. We all know that this job must be done and H. R. 4009 makes available the wherewithal for getting started. The aids it provides will not do the whole job but it does permit a beginning to be made and the time for that beginning is already long overdue.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Kansas [Mr. COLE].

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

Mr. COLE of Kansas. Mr. Chairman, poverty is a disease that destroys orderly government. Emperors and kings, lords and dictators have fallen under the impact of poverty. But this cancerous growth does not attack only kings and emperors; Fascist and Communist governments as well as republics and democracies fall prey to its disastrous effects. So I welcome this debate. America recognizes the disease of poverty and its implications. The debate in this House I hope will bestir the people of our Nation to action.

The great issue, Mr. Chairman, is not, shall it be done; the great issue is, how shall it be done.

This bill offers one plan by which an attack may be made. There may be other plans, but this, Mr. Chairman, is the bill which we are debating today.

Speakers before me have outlined generally the contents of the bill, so I will not take a great deal of time, Mr. Chairman, in analyzing the various sections of the bill. In passing, however, I do want to comment on the slum clearance provision. As mentioned here before, this morning, the slum clearance provision of the bill will permit localities to clear the slum areas not only within the municipal limits areas may be cleared and may be held by the city, not only in fee simple, but in perpetuity and those areas may be leased for time without end.

So, these slum areas may or may not be redeveloped as gentlemen preceding me have said, into low-rent housing units.

Another very interesting thing in connection with the clearance of slums came to light in our committee. As an illustration I want to point out the so-called slum area known as Marshall Heights nearby Washington. Marshall Heights has been cited as an example for slum clearance. I understand that Marshall Heights is inhabited by colored people. These people own their homes, or at least a large percentage of them do. A large percentage of them, with their own hands, built homes upon the land which they had purchased with their meager savings. These people have added stick by stick and stone by stone and with the toil of their own hands built homes so that they might have a place to live. Now well-meaning people are saying that we must clear these slums. They may not meet certain standards of safety or sanitation, but these people have a pride in the ownership of their particular homes.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. PHILLIPS of California. It is a curious coincidence that I came into the chamber holding in my hand the proof sheets of the hearings before the subcommittee on independent offices appropriations on Marshall Heights, in which not only is what the gentleman saying admitted by representatives of the local planning commission, but it is also admitted that what would happen is that either these residents who own their own property would be pushed farther and farther out, or they would be required to take the \$150 or the several hundred dollars which they would get through condemnation proceedings and apply that on a new home as a first payment and then have a large mortgage. That is what they would have in exchange for private ownership under the American system.

Mr. COLE of Kansas. I think the gentleman for his contribution.

In that connection, remember that these are colored people. These people must find homes in which to live in Washington or nearby. It is not an easy thing, once you restrict them or take from colored people an area in which they are living, to find a place for them.

One other phase of the bill I want to discuss briefly is the farm-home proposition. You know that his bill provides for loans for farm homes. It provides for loans to those farmers who have an adequate farm but do not have enough cash on hand with which to build a house if they find themselves living in unsafe or unsanitary homes. So we provide a loan for 33 years at 4 percent interest. But the second provision is that the farmer who is operating a potentially adequate farm may borrow money if it is found that this potentially adequate farm can be made an adequate farm—how? By adding to it, if you please, or by buying other land or through improved farming practices. The point in that connection being that the Secretary of Agriculture, if a farmer does borrow money, may then contract with that individual and tell him how we must farm that land for the next 10 years; tell him



what he can plant, what farm practices he must follow. In fact, the Secretary of Agriculture will entirely control the operation of that farm.

In addition to that, the Secretary of Agriculture may credit against the loan all of the interest payments, may cancel half of the yearly principal payments, and, in addition, grant a moratorium for such length of time as he may deem necessary.

One other plan is provided in connection with the farmhouses. Five hundred dollars is proposed to be given to about 50,000 farmers in this country. For what is that \$500 to be given to them? A hand-out to be given to those farmers to buy screens, to put a roof on their home, to build an inside Chic Sales instead of an outside Chic Sales, to do other things necessary to improve the farm which, under the terms of this bill, is not adequate, is not even potentially adequate, and which has no possibility whatsoever of becoming adequate.

So I say that this farm section of the bill provides for an uneconomic, unsocial advancement of the situation in the farm areas which is not at all proper.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. AUGUST H. ANDRESEN. I might note in passing that some of the greatest men of our country have lived under circumstances where they did not have all of these modern facilities. There are a couple of things that I would like the gentleman to explain. One is this: We have had tens of thousands of G. I.'s and others who have purchased homes at anywhere from \$8,000 to \$15,000. Do they get any subsidies under this bill?

Mr. COLE of Kansas. No.

Mr. AUGUST H. ANDRESEN. So they are excluded?

Mr. COLE of Kansas. Yes.

Now, I want to proceed to the low-rent housing feature, because the low-rent housing feature after all is the real issue in this case.

The Federal Government provides loans to local housing authorities to build residences. Those residences are leased to tenants whose average income is \$175 a month. A tenant, in order to qualify, must live in an unsafe home or an insanitary home, or an overcrowded home, or must not have any home at all, or must be about to be put out of the home without any fault of his own, or he must be living in a home which will be destroyed by a slum-clearance or a low-rent housing area. Those are the qualifications of tenants in the low-rent housing units. The tenant pays whatever amount he can afford to pay, based upon his income. I say "based upon his income." It is based upon his net income after certain deducts are permitted. That income need not be by the labor of the tenant. He may be the recipient of an inheritance of \$75,000, and receive \$1,875 a year, and he could live in these low-rent units.

The Federal Government pays the local authority the difference between what the tenant can pay and the economic rent. In other words, the differ-

ence between what it costs to operate the low-rent housing unit, the amortization of the debt, and what the tenant pays.

For the following reasons I object to the low-rent housing plan:

The first objection is that it is privileged and discriminatory housing.

Secondly, it will not clear the slums.

Third, the poorer folks will not be housed under this program.

Fourth, it builds a tremendous political machine.

Fifth, it violates the rights of the minorities.

Sixth, it is excessive in cost, and there are no brakes on the excessive cost.

Seventh, it tends to destroy private homes and private business.

And eighth, it tends to destroy our form of government.

In this country there are approximately 6,100,000 families living in substandard homes—6,100,000 families, if you please. In addition, 300,000 families are living, according to Mr. Foley, the Federal Housing Administrator, in overcrowded homes. This bill will provide, after the compromise which I understand has been agreed to, for 810,000 homes. So about one out of six or seven families in this country are to receive this privileged home. I say, what are you going to do about the other five or six? Are we going to now say that they must be housed? And if so, let us be honest about it. Let us not talk about this bill costing five billions or ten billions. For if we house all those people, the cost will run into the hundreds of billions. Let us find out exactly where we are going. Let us not talk about housing even 1,000,000 families or 2,000,000 families, or 4,000,000 families. Here are 6,500,000 families. Are we going to house them? The proponents should let us know about it and tell the truth about this.

It is discriminatory as to areas, States, and municipalities which will not be able to come under the terms of the bill. Right now in Miami, Fla., there are more low-rent public-housing units than there are in Kansas City or St. Louis; there are none in my State of Kansas. As you follow the operation of the present law you will find that that situation is true over the country; that not only in States, in counties, in cities, but even on the same street there are inequalities. John Jones living right next to Pete Smith, receiving exactly the same amount of income, living in exactly the same sort of house, living in an overcrowded, unsafe, insanitary home, tries to get into a public-housing unit but is unable to. Why? Because Pete Smith beat him to it, and because Pete Smith knew somebody who helped him out, so Pete Smith gets the low-rent public-housing unit. And John Jones pays part of Pete Smith's rent.

Secondly, this will not clear the slums. Remember, this program provides for two separate and distinct projects. The first is a slum-clearance project that has nothing whatsoever to do with low-rent housing. As a matter of fact, the gentlemen on the other side of the aisle who preceded me have said that; they have said they would clear the slums, but that low-rent houses probably would not be

built on the cleared area, that probably they will want to build the low-rent houses elsewhere; and that is exactly what is happening and has happened. The people who are interested in this bill are the people who are interested in building low-rent houses for their own purposes and not for the purpose of clearing slums.

The Washington metropolitan area has built 240 low-rent housing projects since 1935, 66,597 apartments; yet the slum dwellings and the alley dwellings that were here in 1935 are here today; the same pictures that were taken in 1935 to prove that we needed to house the dwellers of the slums were used before our committee to show our committee that we should house the dwellers of these slums. "Nineteen billion dollars and 7 years from now we shall see those in the Washington slums will be doing business at the same old stand," says Harold Taylor, in Barron's National Weekly. I ask: Why not require these people to eliminate a comparable slum unit at the same time that they build a low-rent public housing unit? I am answered that if that were done the people whose homes were demolished would have no place to live. It does not need to be done at the same time, but you can exact a guaranty or a contract that if a municipality enters into a low-rent housing project they must within a reasonable time in the future eliminate and eradicate slums. Will those people who want this bill agree to such an amendment? No. Why not? Because they are interested in only one thing, and that thing is to obtain the benefits, politically and otherwise, which are obtainable through low-rent public housing.

The poorer folk, the people who are in the lowest bracket of income, will not be benefited by this bill. The average income of the occupants of these low-rent housing units is \$1,875 per year. I refer you to page 67 of the hearings. It is conceded that the lowest income families have little opportunity to enter into these low-rent housing units; as a matter of fact, it is families receiving less than \$1,000 a year who are now living in slums who need this housing, but not more than 6, 7, or at most 9 percent of them will have a chance to take advantage of the low-rent public housing. So it is not a housing program for the poor of America.

This bill builds a tremendous political machine. I am not exactly sure what the percentage of the population is that voted at the last election, but we all know it was a small percentage. We also know, Mr. Chairman, that any group which controls a small minority, if it is a compact group, is able to drive through their political machine to any sort of victory if they care to do so.

Here are some of the statements that have been made in connection with the political implications of the public-housing bill. Mr. Charles Abrams, who has been quoted here before, today writes in the Post Home News Housing Authority, refers to the New York Housing Authority, a part of which is controlled by Republicans. He is not talking about Democrats, and when I say the bill will



build up a political machine, I do not mean necessarily it might build a Democratic machine any more than it might build a Republican political machine. He says that the Housing Authority in New York looms as a big plum in the political orchard, and the politician who dominates the Housing Authority controls the political destiny of that city.

What else is said in connection with this matter? Mr. Post, whose book the gentleman from Ohio quoted a moment ago, said:

This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunities latent in a \$500,000,000 housing program in New York City. Commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

Mr. Chairman, this bill tends to destroy private homes and private business. The other night I had the pleasure of appearing on a radio forum before an audience and I made the statement that this bill tends to destroy private homes and private enterprise and I got a few boos. But if you analyze what happens in connection with this bill you will find it does tend to destroy private homes. Why? It takes from the people the desire to live in a private home, it saddles a huge tax upon them, and as these burdens pile one upon the other, finally, those people who have been careful and have attempted to save, so that they might have their own homes, will find those homes disappear.

In addition to that, there is this further thought: If we house the 1,050,000 people, provided for in this bill, why do we not house the others? There are other people, 20 percent of the population, receiving less than \$1,600 per year. If we house the 1,050,000 families, why not house the rest of them? When we finally do that the snowball has rolled on down the hill until it engulfs everybody in the whole of the United States.

Then finally, Mr. Chairman, it tends to destroy our Government. I am not one who says this bill is socialistic or that it is communistic. But a very interesting thing is that in 1928, before either the Democratic or Republican Parties thought about it, the Communist Party of America included public housing in its political platform. Today the Soviet Government has in its constitution, article 6, a provision that the homes of the laboring people shall belong to the state.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COLE of Kansas. Mr. Chairman, it is rather sloppy thinking to object to this proposal by merely saying it is socialism and let it go at that; on the other hand I think it is sloppy thinking for the other side to say, well we are doing many other things which may be socialism, so why not pile this on top of the other? Unless we can point out what this proposal does, then we should not charge that it is socialism. Remember, as we continue to advance Government

ownership, as we continue political control, and as we continue the excessive tax burden, there is a very definite possibility that the way of life we have known in this great Republic will disappear. I think that is something for us, in our more sober moments, to consider when we vote upon this bill.

Mr. Chairman, I should like to quote briefly from another Kansan, General Eisenhower, upon that subject, who said:

Because the kind of dictatorship under which we may fall today is not that brought off by means of a coup d'etat and a suddenly seized power by using the Army and Navy and guns to put us all in a strait-jacket. There is a kind of dictatorship that can come about through a creeping paralysis of thought, readiness to accept paternalistic measures from the Government, and those paternalistic measures are accompanied by a surrender of our own responsibility.

Now, there is a slender, almost indistinguishable thread running through this entire bill. That thread is Government control of the individual family life, the individual home, the individual. Read the bill carefully from the beginning, the declaration of policy, through the slum-clearance proposition, through the low-rent plan, down through the research program and, finally, to the farm housing, in which the farmers are regimented, and you will then find, Mr. Chairman, that this thread may become so strong as to strangle the people of America.

People have said, "You object to the bill. Do you have an alternative?" Yes, Mr. Chairman; I have an alternative. America has become great because we are a Republic designed by our forefathers. This Republic became great because the Government gave to the people the tools with which to do the job for themselves, not to be dependent upon the bounty of a paternalistic Government.

The civic clubs of America, the churches of America, and the labor unions of America, the real-estate people, all classes, even the Congressmen, have a duty and a responsibility to meet this problem of poverty and disease. Yet it must be met in such a fashion that the people will not be throttled; that they may not lose their heritage.

So, Mr. Chairman, we do have a responsibility. We do have an opportunity, but that opportunity does not require us to yield to the Government the homes of our Nation.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I noted that my distinguished colleague who just preceded me, by a slip of the tongue, referred to "dwell slummers." I do not know whether he meant "swell slums" or "swell drummers," and I am sure an analysis of his speech will not show that either. It will show, however, that he has given to you today every argument that has been urged upon us by every lobbyist against the bill including the real estate boards, the chambers of commerce, and all of those vested interests that do not want anything done to clear our country of its slums and do not want

anything done to provide the lowest income groups of our country with decent places in which to live.

One of the arguments you heard a moment ago was that public housing is political housing, and he quoted, or purported to quote, from the remarks of a gentleman who writes for the New York Post. That misquotation, deliberate or otherwise, has been rampant ever since the Senate began its hearings on the bill we are now considering. I placed in the record of the hearings before our committee a complete answer to that misquotation. The statement was attributed to Mr. Charles Abrams of the New York Post. The answer appears at pages 392 and 393 of the hearings conducted before our committee. I placed in the RECORD today a letter from Mr. Abrams which is a complete refutation of the charge that he or anyone else has ever referred to public housing as political housing.

The fact of the matter is that in the State of New York we have two different public housing authorities. In the city of New York, which is controlled by the Democrats, we have a very fine housing authority. No one has charged it with running any of its projects political-wise, or attempting to fill it with tenants or persons who vote as members of the Democratic Party. Statewide we have the New York State housing authority, controlled by the Republicans. There, too, no one would dare point a finger of accusation and say they are trying to fill their projects with persons who vote as Republicans.

It should be perfectly obvious that this is a bipartisan measure. The men who are supporting it in both Houses are good Americans. They are not Socialists or Communists. They are liberal-minded men with the interests of their country at heart.

Mr. Chairman, one of the principal arguments advanced by the opposition against this bill is that it is a big-city bill. They say that this bill will benefit only the big metropolitan areas.

Actually, the bill includes specific language which provides a tested, and an administratively sensible, means of assuring that the benefits will not be so confined. The bill specifically provides that not more than 10 percent of the funds provided, either for slum clearance or for low-rent public housing, shall be expended in any one State. The opposition deliberately ignores all past experience under a similar limitation in the 1937 legislation. They actually attempt to use this limitation as an argument for the proposition that the entire benefits of the slum clearance and the public housing titles of the bill will be confined to 10 large cities in 10 large States. For example, in response to a question during the hearings before the Committee on Rules, the ranking minority member of the House Banking and Currency Committee said that the benefits of this bill would go primarily to 10 large cities in 10 large States.

Mr. Chairman, this contention is manifestly inconsistent with the plain facts of previous experience.

I will now answer that charge.



The specific provisions of title II of the bill requires that 10 percent of each amount of annual contributions authorizations becoming available must be reserved for a period of 3 years for use with respect to projects to be located in rural nonfarm areas.

Let us evaluate, against past experience, the current charge that this bill will benefit only 10 big cities. It is often said that there is little new in the world, and perhaps that is true here. The United States Housing Act, which first provided for low-rent public housing, was under consideration by the House of Representatives 12 years ago. On page 11828 of the CONGRESSIONAL RECORD for August 18, 1937, there appears the following colloquy:

Mr. WOLCOTT. It [the bill] has two purposes. The elimination of the slums, and the providing of low-rent housing for people who would otherwise have to live in the slums.

Mr. MAY. How many cities would really be materially affected?

Mr. WOLCOTT. New York City, Boston, Philadelphia, Pittsburgh, Cleveland, Cincinnati, Detroit, Chicago, and quite a number of points west.

So you see that 12 years ago, the same contention was being made that this kind of legislation benefits only the big cities. But what has been the experience under that earlier legislation? Let me tell you.

Under that 1937 legislation, there are at present a total of 268 localities with low-rent public housing projects, only 72 or 27 percent are in large cities. One hundred and ninety-six of those 268 projects—more than 70 percent of the total—are in localities having a population of less than 100,000. There are 7 in localities having a population of less than 2,500. Thirty-six are in localities having a population between 2,500 and 10,000. Sixty-one are in localities having a population of from 10,000 to 25,000, and 92 in localities having a population of from 25,000 to 100,000.

Here are the names of just a few of the big metropolitan cities in which low-rent public housing projects have been made available under that 1937 legislation: Fairfield and Tarrant, Ala.; Glendale and Mesa, Ariz.; Conway, Ark.; Antioch and Martinez, Calif.; Sanford, Fla.; Albany, Ga.; East Moline and Madison, Ill.; Frankfort, Ky.; Annapolis and Frederick, Md.; Biloxi, Miss.; Fayetteville, N. C.; Ambridge and Wayne, Pa.; Baytown, Tex.; Hopewell, Va.; Black Diamond and Port Angeles, Wash.; Martinsburg and Mount Hope, W. Va.

Is that big-city legislation? You will find the same limitations in the bill we are considering now.

I ask the Members of the House to remember that the same argument that is currently being advanced against this bill was made 12 years ago in 1937. I ask you to judge the merit of this argument that this is a big city bill by the actual experience and the facts which I have just cited.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MULTER. Mr. Chairman, I have before me at the moment a communica-

tion from the American Municipal Association, dated June 20, 1949, urging the enactment of this legislation. Here are the big cities that want this legislation and the names of their mayors who urge it:

Allentown, Pa.: Hon. Donald V. Heck, mayor.

Atlanta, Ga.: Hon. W. B. Hartsfield, mayor.

Augusta, Ga.: Hon. W. D. Jennings, mayor.

Bethlehem, Pa.: Hon. Robert Pfeifle, mayor.

Biloxi, Miss.: Hon. G. B. Cousins, Jr., mayor.

Cambridge, Mass.: John B. Atkinson, city manager.

Camden, N. J.: Hon. George E. Brunner, mayor.

Chattanooga, Tenn.: Hon. Hugh P. Wasson, mayor.

Cincinnati, Ohio: Hon. Albert D. Cash, mayor.

Columbia, S. C.: Hon. Frank C. Owens, mayor.

Corpus Christi, Tex.: Hon. Leslie Wasserman, mayor.

Denver, Col.: Hon. Quigg Newton, mayor.

Detroit, Mich.: Hon. Eugene I. Van Antwerp, mayor.

Durham, N. C.: Hon. Dan K. Edwards, mayor.

Flint, Mich.: Hon. George G. Wills, mayor.

Gary, Ind.: Hon. Eugene H. Swartz, mayor.

Hartford, Conn.: Hon. Cyril Coleman, mayor.

Hoboken, N. J.: Hon. Fred DeSapio, mayor.

Kansas City, Mo.: Hon. William E. Kemp, mayor.

Lackawanna, N. Y.: Hon. John J. Janega, mayor.

Los Angeles, Calif.: Hon. Fletcher Bowron, mayor.

Louisville, Ky.: Hon. Charles P. Farnsley, mayor.

Madison, Wis.: Leonard G. Howell, city manager.

Memphis, Tenn.: Hon. Watkins Overton, mayor.

Miami, Fla.: Hon. Robert L. Floyd, mayor.

Milwaukee, Wis.: Hon. Frank P. Zeidler, mayor.

Minneapolis, Minn.: Hon. Eric G. Hoyer, mayor.

New Haven, Conn.: Hon. William C. Celenzano, mayor.

New Orleans, La.: Hon. deLesseps S. Morrison, mayor.

New York, N. Y.: Hon. William O'Dwyer, mayor.

Norfolk, Va.: C. A. Harrell, city manager.

Oakland, Calif.: Hon. Joseph E. Smith, mayor.

Passaic, N. J.: Hon. Paul G. Demuro, mayor.

Paterson, N. J.: Hon. Michael U. DeVita, mayor.

Richmond, Va.: Hon. W. Stirling King, mayor.

Rockford, Ill.: Hon. C. H. Bloom, mayor.

St. Joseph, Mo.: Hon. Henry D. Allison, mayor.

St. Louis, Mo.: Hon. Joseph M. Darst, mayor.

St. Paul, Minn.: Hon. Edward K. Delaney, mayor.

Seattle, Wash.: Hon. William F. Devin, mayor.

Stockton, Calif.: Hon. Angelo Sanguinetti, mayor.

Syracuse, N. Y.: Hon. Frank P. Costello, mayor.

Toledo, Ohio: Hon. Michael V. DiSalle, mayor.

Waterbury, Conn.: Hon. Raymond E. Snyder, mayor.

Wichita, Kans.: Hon. William C. Salome, Jr., mayor.

York, Pa.: Hon. Felix S. Bentzel, mayor.

Mr. Chairman, I do not know and care less whether they are Democrats or Republicans. They speak for 45 cities in 27 States. Calling them Communists will

not defeat this bill. Only four of these cities can be classified as among the larger cities of the country. Yet this bill is labeled big-city legislation.

New York City and New York State want this legislation, but if they do not get it, they are going to get along without it.

But here is what you will be missing. I have in my hand the current report, the fifteenth annual report, covering the year 1949, of the New York City Housing Authority. You talk about taking property off the tax rolls and depleting the income of States and municipalities. Here is the result of 15 years of experience in the city of New York on these projects. I quote from the report:

Again in 1948 the public-housing program proved a good investment for the taxpayer. Despite the fact that partial tax exemption remains one of the chief ways by which the public supports the program, public housing does pay a considerable part of its own way. A record \$2,281,167 in taxes and payments in lieu of taxes was returned to New York City by the housing authority in 1948. That sum represents one-fifth again as much as the city collected on the same property before it was acquired for public housing.

That means a 20-percent increase in tax revenue to the city, the State, or the Nation which is brought about by clearing your slums and housing those who cannot afford it. That is a mighty good financial investment quite apart from all that goes along with these projects in eliminating juvenile delinquency and decreasing crime and improving the health standards of our country.

Mr. Chairman, it has been said that there is no need for this bill, and that there is no need for any low-rent public housing. The real-estate lobby contends that it is not needed because private enterprise can and will meet the housing needs of all our people.

I do not for 1 minute believe, nor do I believe that the Members of the House believe, that this is anything but the rankest sort of propaganda on the part of the real-estate lobby. I do not think that the members of the real-estate lobby themselves believe it. There is plenty of evidence that they do not.

Again, let us evaluate, against past experience, this current claim that private enterprise can and will provide adequate housing for low-income families who now live in the slums. Let us go back, for just a moment, to 10 years ago. Let us look at the hearings on the 1939 amendments to the National Housing Act. On page 156 of the printed hearings of the House Banking and Currency Committee on H. R. 3232, Seventy-sixth Congress, you will find some evidence of whether the members of the real-estate lobby really believe this claim that private enterprise can and will provide adequate housing for low-income families who now live in the slums.

Let me say here it matters not whether the public-housing project goes onto the identical land where you remove the slum. It is enough benefit to the entire community if you wipe out the slum. It matters not whether the new public-housing project goes there or in a better location.



You will find an interesting exchange between the distinguished gentleman from Texas [Mr. PATMAN] and the executive director of the United States Savings and Loan League, Morton Bodfish, one of the most blatant spokesmen for the real-estate lobby. Mr. PATMAN asked Mr. Bodfish if he was familiar with a certain publication put out by the United States Savings and Loan League. Mr. Bodfish replied that he was familiar with it, and that it was "an advertising appeal" to savings and loan institutions suggesting how they might best spend their advertising dollars.

It is there in the printed record for all to see. That little "advertising suggestion," put out by the United States Savings and Loan League, said:

Who is your market? (People make markets.) The "top half" families make the best market. What are "top half" families? "Top half" families are families with incomes over \$1,446 per year, and the "bottom half" families are families of incomes less than \$1,446 per year. \* \* \*

The "top half" comprises 50 percent of the United States families and 70 percent of the buying power. The "top half" spends 63.7 percent of all money spent for shelter.

Housing loans are your business. Savings are your business.

How about the lower half? It's a market you don't want. \* \* \* Food and shelter alone eat up 74.6 percent of their incomes. They can't save. They can't buy homes. So forget the bottom half.

Now that is a very frank and candid statement. Bear in mind that this document is an admonition to lending institutions as to how they might best spend their advertising dollars. It says that these families with incomes of \$1,446 per year in 1939 cannot save money and cannot buy homes. It therefore says—very frankly and as a straightforward business proposition—that lending institutions should not invest their time, energy, or advertising dollars on families in the lower half of the income group—families with annual incomes of less than \$1,446.

Today, it would take about \$2,500 to buy what \$1,446 bought in 1939. So Mr. Bodfish of the United States Savings and Loan League has been telling the lending institutions to forget about families with incomes of \$2,500 and less—they cannot save money and they cannot buy homes.

Let us evaluate, against this very candid, business proposition of one of the recognized spokesmen of the real-estate lobby, the contention that private enterprise can and will provide adequate housing for families of low income and that public housing therefore is not needed. Let us see how this compares with the annual incomes of the families actually served under the present low-rent housing program.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MULTER. I thank the gentleman from Kentucky.

The real-estate-lobby spokesman today, Mr. Bodfish, says frankly as a straightforward business proposition that

lending institutions should not invest their time, energy, or advertising dollars on families in the lower half of the income group, families with an income of less than \$1,446 of 10 years ago and less than \$2,500 of today. That very candid business proposition indicates to you, as it does to me, I am sure, that the contention that private enterprise can and will provide adequate housing for families of low income cannot withstand analysis.

When you make a comparison of the figures, when you realize that these people who are earning \$2,500 a year or less today in the larger communities and \$1,500 a year or less in the smaller communities, cannot possibly compete with those who are in the market, who are willing to buy houses that are being built today and being sold at excessive prices. They cannot possibly compete for homes in the new multiple-dwellings that are being put up by private industry.

In the city of New York today you cannot rent in a new building for less than \$40 per room, and that means \$120 a month for a 3-room apartment. There are no people who will benefit by this legislation who can possibly hope to ever get into that kind of a dwelling. Private enterprise in the city of New York and elsewhere in the country will never erect or spend their own money to erect buildings for the lowest income group that is going to be taken care of by this legislation.

If you will look at page 58 of the printed hearings on H. R. 4009 before the House Banking and Currency Committee, you will find that the maximum income limits set by local housing authorities for admission to low-rent public housing average 36 percent less than the minimum adequate budget covering the essentials of life in various cities for families of the same size, as determined by the Bureau of Labor Statistics. You will find that, during the first 6 months of 1948, the median income of all families admitted to low-rent public housing was \$1,481. You will find that the median income of all tenants reexamined during that period was \$1,884. You will find that the median income of all families eligible to continue to reside in low-rent public housing projects was \$1,594. You will find that the average of the maximum income limits established for admission to low-rent public housing projects was \$1,974, and, as indicated above, that the average incomes of the families actually admitted was almost \$400 below that maximum.

Under these circumstances—and especially in view of the admonition of a recognized spokesman for the real-estate lobby that lenders should forget about families in the bottom half of the income scale—does there exist any factual basis for believing that private enterprise can or will, in the foreseeable future, provide a substantial supply of adequate housing for such families? Does there really exist any basis, founded in fact instead of in fancy or propaganda, for the charge that public housing competes with private housing—that it takes away from private enterprise families who otherwise would be its cus-

tomers? Is there any basis for believing that, if we do not pass this bill, there is any real prospect that families with incomes in these levels and who now live in the slums can and will obtain adequate housing?

Mr. Chairman, I am confident that every Member of the House knows the honest answer to those questions, and I urge them to support this bill.

The argument advanced that only the high-income groups will get the advantage of this legislation and be able to move into these projects is untrue. It is some more of the same misleading propaganda that has been dished out to us.

Incidentally, I heard one of our colleagues say a little earlier in the day something about not having received any propaganda against this bill, that all he had been getting was the other way. I think most of you have been receiving any number of pamphlets like those which came in today's mail, expensive pamphlets, 2-color, 3-color, and 4-color jobs of 15 pages and more—here is one of 4 pages printed in 3 colors—and any number of other items indicative of the tremendous amount of money that the real-estate lobby and those associated with it are spending to defeat this legislation. I am sure that we are not going to be misled by this propaganda.

You have been told time and time again that the people who want this legislation are the finest and the most outstanding, and the most respected and respectable members of our community and its public life. I am certain that few of my colleagues will be ashamed to take their place with me alongside of the following "Socialists" and "Communists" who are supporting this legislation and I name now only a few of those who have written me urging enactment of this legislation. They are as follows:

The United States conference of mayors, which again at their 1949 annual conference unanimously adopted the resolutions urging enactment of this legislation.

The American Legion.

The Veterans of Foreign Wars of the United States.

The League of Women Voters of the United States.

The National Conference of Catholic Charities.

The American Institute of Planners.

The City of Pontiac (Mich.) Housing Commission.

The Commission of the City of Miami, Fla.

The Municipal Housing Commission of Paducah, Ky.

The City Council of the City of Biloxi, Miss.

The Manchester Housing Authority of Manchester, N. H.

The Citizens Union of the City of New York.

The Citizens Housing and Planning Council of New York.

The Association of the Bar of the City of New York.

The Council for Social Action of the Congregational Christian Churches, of the United States of America.



The League of Women Voters of the City of New York.

The National Association of Jewish Center Workers.

The Board of Christian Education of the Presbyterian Church in the United States of America.

The Central Labor Council of Seattle, Wash.

The American Federation of Labor.

The Congress of Industrial Organizations, and almost every other labor union and brotherhood in the country.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentlewoman from Ohio [Mrs. BORROW].

Mrs. BOLTON of Ohio. Mr. Chairman, we are here today seeking a solution for one of the most harassing problems facing this country: Housing. It is not confined to the few big cities but is spread across the country from sea to sea, from Canada to the Rio Grande and the Gulf of Mexico.

The concentration of population in cities, the shifting of vast numbers of people from one State to another as great new factories have made their demands for workers, the relative absence of housing construction during the war years, the lack of foresight on the part of those responsible, combined with the original sudden return of millions of troops without preparation for their reception, has built a situation which challenges our resourcefulness as it has never been challenged. Solution must be found—an American solution—which will continue our unique way of life, protecting the individual, the community, and the State from the domination and control of a central government. I cannot believe that we have fallen away so far from sound thinking that we cannot work out such a formula. Nor can you convince me that it is impossible to set up ways to use Federal money to help local communities without clamping down Federal controls.

I still believe in the American way of life, Mr. Chairman. I still believe that there is no need to use the formulas of socialism to meet the needs of our people, and I confess I cannot agree with the insistence of some that any and all uses of Federal funds for local needs is socialism.

No thoughtful American today can fail to be concerned over the centralization of power that has been brought about coupled as it has been with undisciplined financial methods. No thoughtful American—and I contend, Mr. Chairman, there are many on both sides of the aisle—can fail to recognize the need of protecting such liberties as we still have from Federal intrusions and of reestablishing a freedom in which justice and opportunity for all, the rights of the individual and of free enterprise are recognized essentials.

Looking to the future we have set up programs and appropriated funds for flood control, for defense reorganiza-

tion, for the conservation of the soil and of wildlife. I cannot believe we are so materially minded that we fail to see our responsibility in the matter of assuring our people decent homes in which children can grow into a strong and healthy citizenship. They are the future of America—without them of what moment is all the rest? And they have the right to expect us as intelligent Americans to keep those homes free from the autocratic controls of centralized power and so continuing the basic concept of our Republic.

The housing needs of our people are very real—private enterprise as such has not been able to meet them. In my opinion, there is no justification for an assumption that private industry alone is responsible for the tragic needs of our lowest-income group. Do we expect private industry to construct an adequate supply of low-rent housing at a loss? Surely it is the responsibility of every American to do his bit in caring for the housing of the indigent and those unable to care for themselves wherever they may be. This can be done through properly restricted use of Federal funds which, after all, come from all the people.

Let me say further, Mr. Chairman, that no one is more deeply concerned than I over the unsound and extravagant use of funds that has brought us to a most dangerous financial position. But I am convinced that merely to ignore the needs of our people because of the money involved is exceedingly poor economy. I am convinced that an investment in meeting the human need of our own people will prove to be good economy.

The Hoover Commission reports are in. They point out in no uncertain terms possibilities of retrenchments in Government expenditures of several billions of dollars not by curtailing desirable work but by instituting efficient methods of procedure. Think of it, \$1,500,000,000 savings just in one part of one department by proper accounting methods alone. Have we not as representatives of the people the obligation to insist that these reforms be instituted? I am not speaking of reorganization as such, of the ad lib shifting of one group over under another authority until no one will know where anything gets to. I am speaking of efficiency of management—of one of the much-vaunted American virtues—good management. If a little application of it in one department can save us one and one-half billion—and there are nine departments—with a new one suggested—we would have a tidy sum for slum clearance, for decent environment for the children that are going to be America tomorrow.

There are many things in this program I do not like, Mr. Chairman, and I expect to make every effort to improve them—to change them—but I cannot refuse to do something in these areas of our living. I cannot lend myself to non-action which might well lead to the very Government controls opponents of any housing measure at all fear—by default.

The Committee on Banking and Currency has brought out H. R. 4009 for consideration. But, Mr. Chairman, there is another bill at hand for your considera-

tion which I propose to submit as a substitute bill at the proper time. Much of it is very similar to the committee bill but it contains a balance of interests which should commend it to you.

I have asked for these few minutes in order to urge you to examine it with open minds, as responsible men and women with some understanding of human problems and human needs, free of preconceived ideas and personal prejudices. H. R. 1883 is also before you; it is the result of the effort of a group of like-minded Republicans. Under the rules of the House only one Member's name can appear on a bill, so there are 10 bills, all alike, mine bearing the number H. R. 1883.

Every one of us is as bitterly opposed to centralizing authority as any one of you; every one of us is opposed to Federal authority as against State responsibility. Every one of us has always believed in and emphasized States' rights, individual responsibility. That is our way; that is a part of our formula of freedom.

In H. R. 1883 there is protection for that formula, and there is encouragement for free enterprise and for individual responsibility and self-respect. For myself, I can no longer ignore the needs of the people of my district, which is at present the largest in the United States. Something must be done for the housing needs of the low-income groups whether some parts of it go against my grain or not.

Nor can I blind myself to the fact that there are tremendous changes taking place all over the world. Failure to recognize them is unintelligent. Failure to use all the intelligence and understanding one can muster to give them direction will lead only to destruction—for when a man resists change he destroys himself—that is the law.

Believing deeply in individual and State responsibility, I believe also that because the States united for common protection and mutual well-being there rests upon the Federal Government, which they formed, a certain responsibility toward those States and through them to those individuals unable to carry their part of the load. This responsibility is of several parts, not the least of which is that whatever is done by the Federal Government to help the individual must not encroach upon his responsibilities to himself and to his fellow men.

If I thought this an impossible task, Mr. Chairman, I would not be here.

I cannot set aside my responsibility as a free citizen, as a representative of a large and varied constituency, and as a woman concerned with the future, on the grounds first, that the economy of the United States is in danger, and second, that all Federal assistance, no matter how definitely controlled, is socialistic. If we cannot find ways to make our formula for freedom function, then we are poor exponents of the basic tenets of our American way of life. If we cannot put our financial house in order we are faithless stewards indeed.

Nor do I see justification for permitting those who do want to socialize Government to use the very real needs of cer-



tain groups of our people to that end because of our default.

Therefore, Mr. Chairman, I have joined with others and shall at the proper time present a bill which contains a well-rounded housing program, the only program which provides assistance, through loans, not grants or subsidies, to the lower middle-income groups whose needs are very real and very far-reaching in their implications. Our bill broadens the opportunity for free-enterprise building and for responsible men and women to build their own homes, while at the same time it sets up a low-cost housing program to be determined not only by need but also by the capacity of the industry.

I therefore ask every Member of this body to consider H. R. 1883 as a very happy substitute for the committee bill.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DEANE].

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. DEANE. Mr. Chairman, I feel highly honored that I follow the distinguished gentlewoman from Ohio [Mrs. BOLTON]. She speaks to us as a mother, as an individual who, like us, I feel, appreciates the home.

I trust that we can approach this subject of housing from a bipartisan standpoint. As we study the vote in the Senate, as we study the characteristics of the men who sponsored and worked for the legislation in that body, I feel that we are on sound ground in giving our support to this housing legislation.

The remarks I shall have to make this afternoon will concern the operation of public housing and slum clearance in the State of North Carolina. Photographs convey a more convincing message than will words. To my left here I submit pictures entitled "Before" and "After," concerning an outstanding public housing unit in the city of Raleigh. These pictures marked "Before" carry the message of squalor, disease, juvenile delinquency, broken homes, and these pictures marked "After" portray health, hope, happiness, civic responsibility, and other factors that will make any community a better place in which to live.

As we study public housing, it seems to me that we cannot get away from thinking in terms of children, children in the flexible and impressionable years of their lives.

#### CHILDREN IN LOW-RENT HOUSING

There is a marked difference between housing authorities as landlords and a lot of other landlords. Instead of "no children" the housing authority says "preference is given to families with children." The policy of giving preference to families with children is an important and sound policy. That the children of today are the citizens of tomorrow is a truism. These are the really flexible individuals. Furthermore, if a more stabilized life for their parents pays dividends for these adults, as we know that it does, it doubly pays dividends in the case of their children. All children are highly sensitive to their surroundings. People begin life as infants un-

affected by the attitudes and modes of social behavior of their fellows. We inherit physical modes of behavior, including a nervous system remarkably flexible and capable of being turned in one direction or another. Just as the child who grows up in undesirable home surroundings is handicapped; he is doubly affected where that undesirable home is part of a substandard neighborhood and—contrariwise, the influence of normal home surroundings has an almost inevitable effect. Children respond to brighter home areas, to the adequacies of modern standards of living. Their health—and that of their elders—is improved decidedly by the presence of a modern, private bathroom and by better provisions for fresh air, sunshine, and comfortable heating.

We have heard today that the cost of this program is more than this Government can sustain. Don't be misled, my colleagues. When we consider the cost of crime, juvenile delinquency, the loss of health, the maintenance of mental institutions in our various States, so much of which is due to poor housing, we must come to the immediate conclusion that the cost of this housing program is far less than the cost of juvenile delinquency, crime, loss of health, and other problems that result primarily because of poor housing.

I am happy to have submitted to me by the State health officer of North Carolina, Dr. J. W. R. Norton, a statement which I feel is pertinent to the point I am here presenting. This letter follows:

NORTH CAROLINA STATE  
BOARD OF HEALTH,  
Raleigh, May 26, 1949.

HON. C. B. DEANE,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN DEANE: It is my understanding that the Senate has again passed a slum clearance bill, which is now before the House for the third time (S. 1070, H. R. 4009).

Adequate housing is, I think, definitely a public health problem. I believe it would be safe to state that if all slum areas were immediately cleaned up, not only would our crude death rate decline at once, but also the death rates from diseases which are traceable wholly or in part to bad sanitation and lack of sunshine and fresh air.

Any argument against slums is like "carrying coals to Newcastle." The purpose of this letter is to express the hope that you will be able to support an adequate slum clearance measure. I should like to get your reaction to the viewpoint I have expressed.

Sincerely yours,

J. W. R. NORTON, M. D.,  
Secretary and State Health Officer.

My colleagues, I hope you will continue to study these pictures as I tell you about a tenant who received the benefits of a Raleigh, N. C., housing project. This tenant went in as an individual in the low-income bracket. But within the course of a few years, because of her income, she became ineligible and was requested to move.

This lady has given me permission to quote from a letter she wrote to Mrs. Inez Jones, executive secretary of the housing authority of the city of Raleigh. She says, among other things:

As you know we will be moving from Halifax Court very soon. I wish there was some

way in which to express myself to you and the entire staff of Halifax Court and the administrator of the public-housing program. I think Halifax Court has done for me and my children what the better housing program was intended to do.

With comfortable living quarters which did not require a better part of my income, we have been able to have better food, better clothing, and better health. While there was never a surplus for luxuries, the warmth of steam heat, the nice hot water, the electric stove and the refrigerator, plus the repair of our apartment, has given us a feeling of luxury and well-being. I feel that living at Halifax Court has had a great deal to do with my mental attitude toward life and my responsibility as a mother. This has been greatly reflected in the development of my two children. My son, who graduated from the University of North Carolina in June, and my daughter, who is now in high school.

We are moving into a small attic apartment that will not be nearly as nice as the apartment we had in Halifax Court, and the rent will be much more than we are now paying. However, we leave willingly in order to make room for others who have small children and who may need a boost to their courage as we did 8 years ago when we moved in. I only hope whoever moves into our apartment will find the same joy and happiness that we have known while living there.

G. S. T.

#### HOME OWNERSHIP

Mr. Chairman, I would like to move on to this particular thought. The greatest amount of opposition I have received so far against this legislation has come from a sincere group of folks representing our local building and loan associations. I think they are greatly misinformed as to the implications of this legislation and they are taking the same position as the insurance companies did toward the social-security legislation that came before the Congress several years ago.

I am interested in and own a small insurance business. I recall when the social-security legislation was being developed here in Washington the insurance fraternity throughout the country violently opposed social security because, as they felt, it would eliminate or greatly jeopardize the insurance market. Well, what has happened? Today among the insurance groups you will find the strongest advocates of social security because social security has opened up a new insurance market. Today, life insurance underwriters sell more life insurance as a result of social security. Briefly, I shall discuss the technical angle and show you just how the agents and underwriters put over the sales angle. They approach a prospect: "How much will your social security mean to you on your retirement?" The answer will usually be \$30 or \$40 or \$50 a month. Then the underwriter will say, "Can you retire on that particular sum?" Immediately the answer is "No." The insurance representative then develops a program of life insurance to bring the person's retirement up to approximately \$100 a month and in most cases he makes a sale which brings the prospect's retirement in line with his retirement desires and in 9 out of 10 cases it would not have been possible had social security never become a part of our economy. I use that point, gentlemen of the Committee, to say that through this particu-



lar period that public housing has been in existence, the building and loan groups have greatly prospered.

We have in North Carolina several model housing projects. Time will not permit me to go into a complete analysis of each of them, and what I say about these projects in North Carolina is indeed representative of our entire country.

I repeat, public housing improves family living so that the family moves on to a higher plane of living—to home ownership—to better citizens. How do I know that the families move on to home ownership (and I might say here that no one will deny that it is a definite sign of economic and social progress for a person in the low-income group to own his own home). I know by actual facts shown by a survey made by Dr. Sanford Winston, head of the department of sociology at North Carolina State College, and, too, by recent actual experience in the low-rent housing developments in North Carolina. Dr. Winston's study made in 1946 covered 306 low-income families who had moved from six low-rent projects in my State. Each of these 306 families was visited and interviewed, and of that group 41 percent—125 families—had moved into homes they were buying.

Thus the present occupants of the slums are real potential home owners. I am going to give you here some figures on the ineligible tenants in the low-rent housing projects in North Carolina who had to move because they were making too much money and because of the real support they received while tenants in these local housing projects are now becoming home owners.

Charlotte, N. C.: 80 white ineligible families moved—46 of them bought homes; 17 Negro ineligible families moved—9 of them bought homes.

High Point, N. C.: 55 white ineligible families moved—28 of them bought homes; 2 Negro ineligible families moved—1 of them bought a home.

New Bern, N. C.: 40 white ineligible families moved—11 of them bought homes; 9 Negro ineligible families moved—1 of them bought a home.

Raleigh, N. C.: 61 white ineligible families moved—35 of them bought homes; 9 Negro ineligible families moved—4 of them bought homes.

Wilmington, N. C.: 45 white ineligible families moved—31 of them bought homes; 21 Negro ineligible families moved—15 of them bought homes.

Kinston, N. C.: 44 white ineligible families moved—28 of them bought homes; 11 Negro ineligible families moved—7 of them bought homes.

Totals for State during period May 1947 to May 1949, of ineligible over-income tenants who graduated from the low-rent housing projects and moved into home ownership, 179 white families and 37 Negro families, a total of 216 families, or a total of 54.8 percent of all ineligible tenants who moved, moved into home ownership.

The record will show that private institutions, building and loan associations, and local banks made loans to the greater number of these individuals, and thus

they became home owners. They formerly lived in shacks comparable to these "Before" pictures which I ask you to study honestly and sincerely.

Thus a market has been created for our local lending institutions that would never have existed before. These 179 white families and 37 Negro families were lifted out of hovels into a level of housing that created a desire for permanent living standards that are wholesome and which, my friends, will make for better and stronger Americans.

#### SAVINGS AND LOAN INDUSTRY

The last 15 years have witnessed a remarkable improvement in the development and growth of the savings and loan industry. It is not purely by coincidence that this has come about during a period of extensive Federal participation in the home finance field.

This activity in the housing field was prompted by the collapse of the real estate market and home-building activity during the early thirties. The mortgage foreclosure rate was approaching a thousand a day by mid-1932. This breakdown in home financing was in large part a reflection of the general economic depression; it also reflected inadequacies in the home financing field.

The Federal Government moved on two fronts to cope with the problem. The emergency part of the job was to provide emergency relief to aid hundreds of thousands of distressed home owners and the home financing institutions holding their mortgages. This was done by refinancing these loans through the HOLC on a long-term, single-mortgage basis. The HOLC made over \$3,000,000,000 in loans in 3 years to over 1,000,000 home owners. The lending institutions received in lieu of the distressed mortgages the HOLC's Government guaranteed bonds which restored a high degree of liquidity.

The second part of the job was establishing sound long-range methods for aiding private home financing to eliminate the weaknesses and defects that had helped bring on the break-down in the home real estate market. The Federal Home Loan Bank Board was established in 1932 to provide a central credit reservoir to home financing institutions. The act creating the HOLC in 1933 also provided for a Nation-wide system of federally chartered savings and loan institutions which were placed under the Federal Home Loan Bank Board. The following year, 1934, witnessed the establishment of the very important Federal Savings and Loan Insurance Corporation, as authorized by the National Housing Act of 1934. This provided insurance of savings in insured savings and loan institutions of up to \$5,000 per investor.

The National Housing Act of 1934 also established the Federal Housing Administration which was given the task of insuring mortgage loans made by private financing institutions in such a manner as to help stabilize the home mortgage market, improve home financing practices, and expand home construction.

Other legislation has taken place in the intervening years and the program to aid the savings and loan industry has been refined and improved, reflecting in

large part the suggestions of the industry itself.

The record clearly reveals that the savings and loan business has prospered mightily during the past 15 years of Government participation in housing. About 90 percent of the assets of all operating institutions in the savings and loan field are held by members of the Federal Home Loan Bank System. These assets now total over \$13,100,000,000, an all-time high, and more than double total assets in 1933 when the Government programs were getting under way.

By the end of 1948, the savings of 6,100,000 investors in more than 2,600 savings and loan associations were insured through the Federal Savings and Loan Insurance Corporation. Total savings in such insured associations at that time amounted to \$8,300,000,000, a 15-percent increase in 1 year. Because of insurance, these savings have practically the liquidity of bank deposits.

In each of the three full years since the end of World War II, new lending by savings and loan associations has ranged above \$3,500,000,000 and now is almost four times as great as in the prewar year of 1939. In the market for home mortgages of \$20,000 or less, savings and loan associations have in recent years regularly done about one-third of the total business. This activity has come about primarily through the increase in savings stimulated by insurance and has been aided by the credit facilities of the Home Loan Bank System under which \$360,000,000 were advanced last year to member institutions. Over 1,000,000 of the loans made by savings and loan institutions have been FHA insured. Moreover, according to estimates by the United States Savings and Loan League, of the nearly \$8,000,000,000 total in GI home loans guaranteed by the Federal Government, about one-third were made by savings and loan institutions.

I have recited these facts to bring out one important point—the great increase in growth and activity of the savings and loan industry has been stimulated by the considerable degree of Federal assistance that has been available to it—assistance that would not have been available from any other source. This assistance has been fully justified, in my judgment, because it has made available a secure outlet for family savings and because it had expanded the credit resources essential for the financing of homes. That those who derive a living from the operation of savings and loan associations or from the use of their credit benefit from these aids is a secondary point.

The fact remain, however, that despite this expansion neither the savings and loan associations nor any other part of the private home building and financing industry has been able to provide decent homes for families who live in slums or other bad housing. Surely if the Government provides any type of Federal assistance in housing, simple justice dictates that this assistance include provision for this considerable portion of American families who are in the direst housing need and whose present housing conditions are a very denial of the Amer-



ican way of life. The provisions of H. R. 4009, which have been recommended by every congressional committee which has studied the problem in the last several years would provide assistance to meet the needs of these families.

I have received a number of communications from executives of savings and loan associations in opposition to this legislation on the grounds that public housing is competitive with their business. This fear has no substantiation in fact. It has been demonstrated time and time again that the present low-rent public-housing program, developed over the same period during which the savings and loan industry has had its great growth, has served only those families whom private enterprise could not serve. H. R. 4009 contains additional safeguards to assure that public housing will in no sense be competitive with decent private housing. Representatives of the savings and loan industry who appeared before the Committee on Banking and Currency as much as admitted that fact. For example, Gen. Ralph M. Smith, chairman of the legislative committee of the United States Savings and Loan League, said—I quote from page 410 of the committee's hearings:

I think if public housing goes through we can still continue to operate, so that I am not fearful that this is going to drive us out of business.

Mr. Chairman, I think the poor people of this country—the people who would be rejected as poor risks by these same lending institution executives—have rights before the Congress in their quest for decent homes which are equal to the rights of those people for whom credit aids have been provided in such great abundance.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DEANE] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DEANE. Mr. Chairman, I again wish to repeat my statement made earlier. I have a great admiration for our savings and loan groups. Today I pay tribute to them because in the early days of my own married life it was my opportunity to secure sufficient strength from a local building and loan association that made it possible for us to own our home. But, my friends, in opposing this legislation some of these savings and loan groups have not taken the time to add up the great benefits that have accrued to them because of public housing.

Mr. Chairman, briefly let me make the following observations under the headings: Better housing for people is a wise investment; loans are not costs; cost of Federal contribution; and only eligible low-income families are admitted to low-rent housing.

#### COSTS OF FEDERAL CONTRIBUTIONS

Let us look at the provision for maximum subsidy of \$400,000,000 per year in H. R. 4009 and remember that this is maximum. Using actual experience of local housing authorities which have been in operation under the Housing Act of 1937, a reasonable estimate would bring the maximum costs down to \$310,000,000 per year, or to \$9,000,000,000 to \$10,000,-

000,000 over the period during which the annual contributions would actually be paid instead of the maximum of \$16,000,000,000. How is that figured?

Actual experiences on the present public housing program shows total annual contributions have amounted to 58.5 percent of the maximum which could have been paid. Since these recent years have been years of somewhat higher incomes than normally would be true, instead of using 58.5 percent as an estimate of the percentage required, assume that somewhere between 75 to 80 percent of the maximum would be needed; then estimate that not 40 years will be needed to pay out the projects but that all bonds will be retired over a period of about 30 years.

There is possibility, too, in further reduction of the over-all estimated cost figure of \$9,000,000,000 to \$10,000,000,000 if the interest rate on the permanent bonds sold to private investors should be lower than the rate of 2 percent on which the above calculation of over-all costs has been made.

#### LOANS ARE NOT COSTS

Now let's talk about costs. The maximum of \$700,000,000 in loans under H. R. 4009 for low-rent housing is not a cost since the loans would be repayable by the local housing authorities with interest. The Federal lending assistance for the projects would primarily be temporary interim financing until the projects have been constructed and permanently financed by sale of bonds to private investors. The security dealers in America have realized the attractiveness of housing-authority bonds and have endorsed public housing all along—they say they are interested in the purchase of bonds to finance the capital cost of low-rent housing under H. R. 4009.

A practical example of financing low-rent housing is the story in Raleigh, N. C. The Federal Government does not have any money on loan to the housing authority there—all of the Raleigh Authority's bonds—\$1,704,000 now outstanding—are held by private investors. They were purchased in 1946—\$1,832,000 at that time, by an investment syndicate at a net interest cost of 1.28 percent. The longest maturity is 30 years—with the final bond maturing in 1976. Then what happens when the last bond issued by the Raleigh Authority is paid and matured? Federal cash contributions will cease in 1976 when all bonds have been retired, the housing developments will be debt-free and will continue to be a community asset operated by the local housing authority for the benefit of the people and the community. It should be borne in mind that the projects will forever be limited to low-income families as provided under the State law creating housing authorities.

#### BETTER HOUSING FOR PEOPLE IS A WISE INVESTMENT

When an individual spends money he wants to know that it is wisely spent—that is a good investment. A sound business corporation wants to know that its money is spent wisely. Improvements which are contemplated are considered carefully. The business corporation wants to be sure that money spent

for improvements will produce greater efficiency and greater profits. I believe, too, that the Congress wants to be sure that expenditures which it authorizes are, first, necessary expenditures and, secondly, will prove to be sound and economical—a wise investment of the people's money that will produce a high return on the investment.

Now for just a moment I should like to talk about what it cost the Federal Government in 1949 for a family of four—man, wife, and two children—in my State of North Carolina to live in a low-rent housing development. It cost the Government \$59.16 for 1 year—per month, \$4.93. Then let's see what total costs might be for this family. A survey made of a group of low-income families in North Carolina who had lived in the projects and moved out showed an average stay of 4½ years in the housing developments. If this is an average then it would cost \$266.22 for this family to live there 4½ years.

And even if the average I have used should not prevail and the contribution per family required from the Government would reach the maximum of \$156.36 per family per year and if the family stayed longer than the 4½-year average—say it stayed 6 years before it "graduated" and moved on, the total investment in this family would be \$938.

The question then seems to be: What is the return on this investment that the Government makes in better housing for low-income families?

The answer to that question is a very simple one: Public housing improves family living so that the family then moves on to a higher plane of living—to home ownership, to better citizens—so that they are an asset to the community and Nation instead of a liability and cost.

Let me remind you that adequate housing directly affects not one but two generations so that the return on the investment for better housing is automatically doubled. There is the improved family life of the parents and the adequate healthful environment so important for the children if they are to grow up as socially adequate members of society. I know this is true—mayors, health officials, parents, teachers, social workers, juvenile court and police officials, and many others have testified to the beneficial influence of the more adequate environment and to the social worth whiteness of the public-housing projects.

#### ONLY ELIGIBLE LOW-INCOME FAMILIES ARE ADMITTED TO LOW-RENT HOUSING

We know, of course, that both the Federal law and the existing State laws have established eligibility requirements for admission to public housing; that the two basic statutory requirements are: Families must be living in substandard housing, that is, under substandard conditions that are detrimental to health, safety, and morals; and families must have incomes within the income limits for admission established by the housing authority to limit tenancy to low-income tenants.

I looked at the file of a tenant in one of the low-rent housing projects. I saw immediately by the verified data in the



file that the family was a low-income family because the total family income was \$32.50 per week—\$1,673 annually after deducting social security of 1 percent. The income had been verified by the employer who telephoned the housing authority office asking help for his employee and saying that he was in serious need of better housing. I might say here that I can well understand why employers seek better housing for their employees, as they often do—the employer knows that home conditions have a direct effect on the production which the employer gets from his employee.

This particular tenant was a veteran—young, age 28. He has a wife and two daughters, age 8 and 3, a son age 5. Where was he living when he was accepted for occupancy at the public-housing project? Well, I've already told you that his income was \$32.50 per week and this is a family of five persons. I don't believe it takes much figuring to see that you can't pay high rent out of \$32.50 per week and have enough left to feed and clothe five persons. This is the kind of housing that this particular veteran had for his wife and three children; as inspected by a representative of the housing authority office who made a visit to the living quarters to determine housing need.

This family of five had one room and space in a small hall, in a house in a bad general condition needing major repairs.

This family of five was living, eating, and sleeping in the one room except that the little boy had a cot in the hall next to the toilet and sink.

Their kitchen? A sink in the hall, used also for bathing by this family of five and another family of five. The stove? Why, it was in their only room, which, do not forget, was used also for living and sleeping.

What about their toilet facilities and bath? A piece of beaverboard had been used to partition off the toilet in the hall—that also served as a partition between the toilet and the sink right next to it.

No; they did not have a private bath—they used that sink for their baths but remember, too, that they were sharing that sink with five other persons so it would appear pretty certain that this couldn't be considered satisfactory bathing facilities.

#### HOUSING A BENEFIT, NOT A BURDEN

The thought of economy and taxes certainly comes into the equation. On that point let me advise with you concerning a public housing project in the city of Wilmington, N. C. What I can say of Wilmington is characteristic of the entire country.

As you study the history of slums you will generally find that they are a tax liability. In most cases the local tax authorities view slums as offering the poorest source of revenue because slums just do not pay their way and are therefore an economic liability.

I inserted in the RECORD of June 13 an editorial which appeared in a daily newspaper of the city of Wilmington. Among other things, the editorial points this out:

But the big question is, Has the authority paid its way?

\* We are convinced—by facts—that the answer is an emphatic yes.

Before the two projects were built, the taxes on their tracts amounted to only \$1,500 a year. And when the authority took over the sites unpaid back taxes amounted to approximately \$8,500, which it paid.

In addition, until the voluntary payments in lieu of taxes were halted by national legislation, the authority had paid the city and county governments \$35,250.34.

In other words, the local governments have received \$43,750 because these two slum-clearance projects were erected whereas had they not been built the amount coming in from taxes on the property they now occupy would have been but \$10,500, had the taxes been paid.

#### HOUSING A JOINT UNDERTAKING

Mr. Chairman, ever since this bill has been under consideration I have heard a lot of talk about it being a "big city" bill, with a small farm housing program thrown in as a sop to get the votes of Members of Congress from rural areas. This is not a correct assumption. We have learned during the years of our national existence that this Nation is interdependent, that what is good for the people of one part of our country is good for the country as a whole.

On that basis I strongly favor H. R. 4009.

Our forefathers learned that fact when they wrote and adopted the Constitution 160 years ago. They found that we needed a Federal Government strong enough to do the things which the people of the States could not do for themselves. They found that out decades before the railroads and the development of the machine age inextricably bound the economy of our Nation together, over a century before the development of modern highway transportation for the movement of goods and people, and a century and a half before it became possible for me to come from North Carolina to Washington by air line in a matter of minutes.

As we have become a great industrial Nation, with a majority of our people living in cities and towns, we have learned through good times and bad times that no section of our country can prosper unless the country as a whole is prospering. The rural areas of North Carolina or any other section cannot prosper unless the people in the cities throughout the Nation can buy the products of our farms and mills and factories. The cities cannot prosper unless the rural people in North Carolina and other States can do business with them.

I should like to call attention here to the extent to which my colleagues who represent primarily urban districts have recognized this interdependence in their support of national legislation which benefits most directly rural areas. It could, in fact, have been immediately more beneficial to their constituents for them to have opposed some farm measures, but they recognized that failure to pass these measures would have caused great distress in agricultural areas which would have dragged down the economy in urban areas. I appreciate their actions not because of their generosity but because of their long-range consideration of what would do the country, urban and rural, the most good.

Now what has that to do with this housing legislation? Well, in the first place, home building has an important role in our national economy and if we can do something that will sustain this industry at a high level of production, as H. R. 4009 will help to do, then I think that it is to the interest of our constituents to vote for it. But more importantly, the kind of homes people are brought up in determines, to a very great extent, the capacity of the people to become useful citizens—to maintain and improve standards of living—which will affect all of us both economically and socially. If, as has been proved time and time again, the slums of the cities destroy incentives and faith in American institutions through their depredations on health and morals, then the whole Nation needs to be concerned. When the mayors and other city officials demonstrate, as they have done, that they cannot handle these problems alone because of their limited capacity to tap the taxable wealth of the Nation, then it is in the interest of the entire nation, urban and rural, for the Federal Government to assist the cities in eliminating these conditions.

Even if this were strictly a big city bill, therefore, I would still hope that it would get support from rural areas because of the national interest.

But the real fact is that this is not a big city bill, but is rather a housing bill for the entire Nation. I am not only saying this because it has a farm-housing title, although I think that this particular title is important because it would make a real start on the elimination of bad housing conditions on the farms. I am saying this also because of the research title, which will help reduce the cost of new housing wherever it is located. I am saying this also because we are going to use the slum clearance and the low-rent public housing provisions down our way.

We do not have any big cities in North Carolina. But we have a large number of small cities and towns—places where everybody knows almost everybody else. We have slums and bad housing in these towns, too. I know about them. I have seen them, and I am happy to say that many of these small towns and cities are doing something to improve housing.

Now we are going to use the slum clearance and public housing provisions of H. R. 4009 in North Carolina because we already know something about what good housing does to low-income families—we can measure it in the physical and spiritual uplift of these families as I pointed out in reading from a letter written by a lady who had received the benefits of a Raleigh housing project.

#### WHO WILL WORK FOR THE LOW-INCOME GROUP?

Mr. Chairman, the little people do not have a well-paid lobby in Washington because they cannot afford it, even when they reach the magnificent salary of \$2,600 per year. I am going to pay heed to the 2,313 families in Raleigh alone who are on the waiting list for admission to low-rent housing and the low-income families who are waiting for good housing in the other cities of North Carolina and every other State in the Union. Their



needs today are just as great as that of the widow I mentioned a while ago.

#### APPLICATIONS FOR PUBLIC HOUSING

What this public housing program has meant in North Carolina is indicated by the applications which were submitted for Federal assistance 5 years ago, in connection with the President's request to Federal agencies for a postwar shelf of projects. Remember that these applications were for 3-year programs and were submitted before any legislation for additional low-rent public housing was pending and before the housing shortage had developed to its present acute stage. Nevertheless 16 North Carolina communities proposed 3-year programs aggregating 6,700 dwellings. I am advised that they plan considerably larger programs on a 7-year basis today if this legislation is passed. Even by North Carolina standards, I do not believe anyone could say that this is a big-city program. Here is the list of communities whose applications range from 70 to 1,800 units: Asheville, 500 units; Beaufort, 70 units; Charlotte, 1,800 units; Clinton, 75 units; Concord, 200 units; Dunn, 85 units; Fayetteville, 550 units; Greensboro, 600 units; High Point, 450 units; Kinston, 250 units; Lexington, 200 units; Morehead, 110 units; New Bern, 300 units; Raleigh, 600 units; Smithfield, 90 units; and Winston-Salem, 850 units.

Time will not permit a complete analysis of the interest in public housing, but I mention briefly applications from a few Southern States.

Arkansas, 2,577 units from 8 communities, with range from 150 to 800 units: Arkadelphia, 200 units; Blytheville, 250 units; Conway, 100 units; Fort Smith, 800 units; Little Rock, 600 units; North Little Rock, 227 units; Pulaski County, 150 units; and Russellville, 250 units.

Alabama, 9,800 units from 14 communities, with range from 122 to 3,000 units: Attalla, 122 units; Bessemer, 726 units; Birmingham, 3,000 units; Decatur, 389 units; Dothan, 148 units; Gadsden, 1,000 units; Homewood, 300 units; Huntsville, 372 units; Jasper, 160 units; Mobile, 1,000 units; Montgomery, 1,526 units; Phenix City, 630 units; Selma, 255 units; and Tarrant, 172 units.

Florida, 10,532 units from 14 communities, with range from 90 to 3,500 units: Clearwater, 150 units; Fort Myers, 208 units; Jacksonville, 1,700 units; Jacksonville Beach, 90 units; Key West, 260 units; Lakeland, 220 units; Miami, 3,500 units; Orlando, 464 units; Pensacola, 500 units; St. Petersburg, 900 units; Sanford, 150 units; Sarasota, 120 units; Tampa, 2,020 units; and West Palm Beach, 250 units.

Georgia, 9,340 units from 15 communities, with range from 34 to 2,500 units: Albany, 190 units; Americus, 400 units; Athens, 226 units; Atlanta, 2,500 units; Augusta, 750 units; Brunswick, 450 units; Columbus, 1,400 units; Dawson, 150 units; Griffin, 300 units; Macon, 600 units; Marietta, 250 units; Savannah, 1,680 units; Thomasville, 34 units; Valdosta, 210 units; and Waycross, 200 units.

Kentucky, 1,525 units from 8 communities, with range from 31 to 375 units:

Danville, 100 units; Frankfort, 32 units; Georgetown, 90 units; Lexington, 300 units; Owensboro, 350 units; Paducah, 375 units; Paris, 128 units; and Richmond, 150 units.

Texas, 17,166 units from 21 communities, with range from 50 to 3,300 units: Amarillo, 800 units; Austin, 500 units; Bay City, 150 units; Beaumont, 1,100 units; Borger, 250 units; Brownsville, 200 units; Brownwood, 300 units; Corpus Christi, 1,000 units; Dallas, 2,800 units; Eagle Pass, 50 units; El Paso, 660 units; Fort Worth, 926 units; Galveston, 1,400 units; Houston, 3,300 units; Lubbock, 350 units; McAllen, 300 units; Mercedes, 200 units; San Antonio, 2,000 units; San Beristo, 200 units; Texas City, 180 units; and Wichita Falls, 500 units.

#### WHO RUNS OUR PUBLIC HOUSING AUTHORITIES?

I became interested in finding out who were operating these low-rent public housing projects in my home State, the kind of individuals who were responsible for these additional requests. Mr. Speaker, as a result of this brief research, I can say with all frankness that anyone who brands this program as socialistic or communistic is libeling the good citizens of our communities—the merchants, bankers, doctors, lawyers, labor representatives, and, yes, even real-estate men—who are serving on these local housing authority boards and who are prepared to undertake the programs which would be authorized under H. R. 4009.

Mr. Speaker, I would like to read the list of commissioners of a few of these local authorities.

#### CHARLOTTE

Edwin L. Jones, chairman (since 1938): President of J. A. Jones Construction Co. (one of the largest construction companies in America, and construction engineer for Atomic Energy Commission); trustee of Duke University; prominent Methodist layman; owner of large diversified interests and active in all civic interests.

George W. Dowdy: Vice president and general manager, Belk's department stores; co-owner of radio broadcasting chain including WAYS in Charlotte; director of local bank; past president, Merchants Association; active in Boy Scout work and other civic interests.

Earle W. Gluck: President of radio station WSOB (NBC); captain, United States Naval Reserve; senior naval officer in district; past president, Charlotte Kiwanis club; outstanding leader in community.

Ben O. Dickerson: District representative, Hershey Chocolate Co.; veteran, World War II; chairman, American Legion housing committee for North Carolina.

Zeb C. Strawn: Vice president, Citizens Savings Bank; active civic, community affairs and also has a keen interest in matters affecting farmers.

#### FAYETTEVILLE

Thompson T. Bells, chairman: Divisional engineer for the North Carolina Highway and Public Works Commission; retired lieutenant colonel, United States Army (Regular); Rotarian; graduate of Princeton University.

H. M. Pinkston, vice chairman: Retired building and supply distributor; past governor of Kiwanis Club.

Dr. W. T. Rainey: Superintendent of Highsmith Hospital; distinguished diagnostician who has received recognition many times from the American Medical Association.

Joseph T. Maloney: Owner of M & O Chevrolet Co., four times president of Fayetteville

Chamber of Commerce; chairman of Community Chest; past district governor of Rotary Club; prominent Catholic layman.

J. W. Hinsdale: Managing director and member of Belk-Hinsdale, large department store; active in Boy Scout work; member of the board of trustees, city schools; director of Red Cross; many other religious and civic activities.

#### KINSTON

Jack R. Rountree, chairman (since 1939): Episcopal minister; a trustee of Memorial General Hospital; trustee of Kinston Public Library.

Harry Wooten, Sr., (vice chairman since 1939): Retired; director of Branch Banking & Trust Co.

J. C. Hood: Owner of drug store; president, Mutual Building and Loan Association.

J. S. May: Retired; former city councilman and former county commissioner.

W. C. Boone, Sr.: Tobacconist and farmer.

#### WILMINGTON

Harry M. Solomon, chairman: Director of Peoples Building Association; owner, wholesale drygoods company; director, Kiwanis Club; director, American Red Cross chapter; director, Boys Brigade Club; trustee, local Salvation Army chapter; president of Community Chest Campaign; trustee of Jewish Synagogue; director of Community Council; large real-estate owner; director of two local banking institutions.

C. B. Kornegay: Retired Atlantic Coast Line employee; president of Wilmington Central Labor Unions; member of national advisory board of A. F. of L.; member, Atlantic Coast Line retirement board; member of advisory council of Railway Brotherhoods; board of director of Community Chest; large land owner.

Fred E. Little: Operator of chain of laundries in North Carolina; owner of Wilmington Stamp & Printing Co.; director, Kiwanis Club; campaign president of Boys Brigade Club; director, Cooperative Building & Loan Association; director of American Red Cross local chapter; large landowner.

Rev. Mortimer Glover: Rector of St. James Episcopal Church; trustee and board of directors for 14 different colleges and seminaries; president of Community Council; board of directors of community past presidents of American Red Cross; director of New Hanover County Board of Associated Charities; past president of Community Chest; past president, Wilmington Minorities Association; welfare division, Community Council.

Dr. Charles J. Powell: Fellow member, James Walker Memorial Hospital Board of Surgeons, and member of New Hanover Medical Society; director, Girl Scouts; board of directors, local Cancer Society; member of Council of Juvenile Delinquency Committee.

#### NEW BERN

W. Floyd Gaskins, chairman (since 1946): Owner and manager of drugs, supplies business; large real-estate owner; director of New Bern Building & Loan Association; civic leader.

Harry Lipman, vice chairman: Coowner and executive director of local large department store; trustee of Elks Building; community leader; member, American Legion.

M. Bynum Smith: Secretary and co-owner of Coplon-Smith Co., Inc., one of New Bern's largest department stores.

Louis B. Daniel: Manager and director of New Bern Coca-Cola Bottling Works.

Dr. Charles H. Ashford: Leading physician and surgeon; member, American College of Surgeons; director of New Bern Morris Plan Bank.

#### RALEIGH

B. F. Brown, chairman (first appointed 1938): Dean emeritus of the basic division of North Carolina State College of Agriculture and Engineering.



Theodore S. Johnson, vice chairman: Professor of civil engineering and adviser of the North Carolina State College of Agriculture and Engineering; originally appointed in 1938.

R. K. Creighton: Secretary of Kirchofer & Arnold, Inc., securities for investment.

Samuel W. Ruark: Lawyer.

R. Mayne Albright: Lawyer.

#### HIGH POINT

D. A. Dowdy, chairman (since 1939): Principal owner and president of large chain of drug stores; active in local civic work.

Dr. F. C. Grayson, vice chairman: Prominent physician and surgeon.

Charles F. Carroll: Superintendent of schools; prominent in educational work in the State.

B. H. Hackney, Jr.: Local Boy Scout executive officer for area, including High Point and neighboring cities.

S. D. Clapp: Representative for large flour and feed distributors; active in religious and civic work.

#### RURAL HOUSING

Mr. Chairman, coming as I do, from the southern section of this country, I want to voice my appreciation of the support given this legislation by both Democrats and Republicans from the metropolitan areas of our country. I think it is a sad commentary upon our great body here that when we begin to bring up matters of wide national interest, sectional factions make themselves heard and felt. I am a Democrat, but I hope the time will come that when measures of such widespread national interest as housing, we can approach the subject on a nonpartisan basis.

And again I wish to commend the gentlewoman from Ohio [Mrs. BOLTON], and these other distinguished Members on my left for the effort they are making in behalf of housing legislation.

Speaking of title IV, which concerns rural housing, I wish to pay my respects to the gentleman from Alabama [Mr. JONES], who has in a large measure fathered this title and to thank him for his efforts in behalf of H. R. 4009.

I repeat, it is a sad commentary upon us people who live in urban areas that today we have allowed our rural people to subject themselves to such shameful housing conditions. We must act, and now.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman from North Carolina three additional minutes.

Mr. DEANE. Mr. Chairman, I say it is a sad commentary on us urban people for allowing our rural housing to get into the condition that now exists. Neither do I blame the commercial banks for refusing to go in and lend money in these particular areas, because they do not feel that they are financially secure. But, do you know, Mr. Chairman, that not over 20 percent of the rural housing in America has running water and toilet facilities? Then we wonder why the young people are leaving the farm for the city. Surely we cannot expect an intelligent young man or young woman to maintain his residence even in the old homestead when it is not provided with some of the most elementary necessities that go to make the home what it should be.

Mr. Chairman, I trust we will, as we come to the final vote on this bill, aid our communities in ridding themselves of these backward conditions in housing. I am satisfied that it is Christian to make it possible for our people, whether they live in the metropolitan areas of the country or in some rural community, to enjoy the benefits of better housing.

I commend our committee chairman the gentleman from Kentucky [Mr. SPENCE] for the efficient and fair manner in which he has conducted our hearings over weeks and weeks, and in having brought out this splendid bill. When we vote for it we vote for a great measure.

Mr. SPENCE. Mr. Chairman, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

Mr. PATMAN. Mr. Chairman, we all are familiar with the real-estate lobby composed primarily of the National Association of Home Builders, the National Association of Real Estate Boards and the United States Savings and Loan League, but there is another group out to defeat this bill which uses even more effective methods and slogans.

As President Truman stated in his letter to Speaker RAYBURN concerning the Housing Act, the most loudly proclaimed propaganda argument of the various lobbying groups against the act is the claim that it is socialistic. There is one group in particular which bases its attacks on this housing bill as well as any progressive legislation designed to assist the less fortunate segment of our population on the argument that our Government is becoming socialistic. This organization has a long and varied lists of names which it uses for fund-collection purposes—its most familiar title is "The Committee for Constitutional Government." Its newest title which appeared in the Wall Street Journal in two pages of advertisements on Monday, June 20, is "Fighters for Freedom."

#### WHAT GROUP OPPOSES

To the Members who have been bombarded with literature by this group on all-important legislation which has come before us this session, I think that a short history of the Committee for Constitutional Government will be very enlightening.

Here are some of the measures, groups, and issues, which the Committee for Constitutional Government has opposed in the last 4 years: Federal-income taxes, European recovery program, United Nations Organization, universal military training, the International Trade Organization, labor unions, Federal aid to education, and housing; admission of displaced persons. Various persons on the board of directors for the Committee for Constitutional Government have also been influential in such organizations as America's Future, Inc.; National Economic Council, American Action Committee, American Democratic National Committee (organized to defeat Roosevelt), and now Fighters for Freedom.

This is what the Congressional Quarterly Notebook of March 10, 1948, said about the way in which the Committee for Constitutional Government worked:

#### WORK FOR MONEY—NOT VOTES

Homer Dodge, the committee's Washington lobbyist, told Congressional Quarterly that "instead of playing for votes in the lower brackets, it would be better to get pools of capital from the higher brackets."

This is a very frank admission of the nature of the group which the Committee for Constitutional Government is organized to serve. Their objection to a bill which helps those in the lowest income bracket becomes more understandable in the light of their own statement.

To quote again from the quarterly:

#### MAILING LISTS

Most of the committee's work is done through selected mailing lists which total several hundred thousand names. In 1947, the committee distributed 80,000,000 pieces of literature, much of it advocating tax reduction. The same activity has continued in 1948.

For at least part of its distribution, the committee relies on Members of Congress. The testimony of Dr. Willford I. King, committee chairman, before the House Ways and Means Committee was widely distributed under the frank of Ways and Means Chairman Harold Knutson, Republican, of Minnesota. Statements of the Committee for Constitutional Government are also occasionally inserted in the CONGRESSIONAL RECORD by sympathetic Members of Congress and distributed in the same way.

In this type of distribution, Dodge explained, the committee pays for the printing costs, but its name does not appear on the material and "the person receiving it doesn't know we instigated it."

Besides its own mailing lists and the distribution obtained through congressional franks, the committee counts heavily on a chain reaction among persons on the receiving end. Almost all its literature carries appeals to recipients to order extra copies to be sent to friends, business associates, and Members of Congress. The extent of this chain reaction, Dodge said, is amazing. It means, of course, that there is a frequent duplication, especially among Members of Congress.

#### TRIED TO MAKE RICH RICHER AND POOR POORER

This intensive method of spreading propaganda has been used for 5 years to promote a constitutional amendment which would forbid the Federal Government to levy a tax of more than 25 percent on any income, no matter how large, and would also ban any Federal estate or inheritance tax. This attack has been designed to make it impossible for the Government to furnish war veterans, farmers, the old, and the people in the lowest financial brackets any benefits which they now have, and to prevent any further benefits such as a chance for adequate housing. The Committee for Constitutional Government commenced a sneak campaign several years ago to get the State legislatures to adopt a resolution asking for a constitutional convention to consider the amendment of the sixteenth amendment which would prevent Congress from having the power to levy taxes on incomes, inheritances, and gifts in excess of 25 percent. This proposal would increase the wealth of the rich and afford no tax reduction to the people in the lower-income tax brackets. Seventeen States had adopted the resolution before the nature of the movement was disclosed—six States then passed rescinding resolutions. The movement



fired up again in the Nebraska Legislature last month; so I assume the Committee on Constitutional Government has not given up its plan to further the interests of its wealthy backers. According to Treasury Department's experts, under the proposed plan, the 49,000,000 low-income taxpayers who now pay 54.15 percent of the present individual income levy would have to assume liability for 65.8 percent of that levy under the plan. The scheme was characterized by some as the millionaires' amendment—and I think that is a very good description of its purposes.

The Committee on Constitutional Government is designed to protect the power of a select group of our citizens who have accumulated enough money to qualify them for leadership in the eyes of this biggest and most dangerous lobby in America. The attitude of the committee and other real-estate lobby groups is exemplified by the following remark which a real-estate promoter made to a young veteran and his wife who were looking at the prospectus for some cooperatives apartments soon to be completed in this city: "We have set the down payment at 40 percent to attract a high caliber and more desirable type of tenant."

#### MILLIONS SPENT FOR LOBBYING

It is a matter of congressional record that the group behind this innocent sounding patriotic name, spent \$100,000,000 over a 7-year period for 82,000,000 pieces of literature, recordings, and so forth.

#### CLEVER SCHEME

A clever method has been devised by the committee to make it profitable or at least costless for corporations to make contributions. Under this scheme corporations run no risk of contributing to a political group and are able to deduct costs as advertising expenses on their income-tax returns. The plan is simple—the Committee on Constitutional Government sells the corporation books which cost but a few cents to publish but for which the corporation pays a substantial amount. The great profits are used to finance the propaganda activities of the Committee for Constitutional Government. The book which is currently being sold according to the ad in Monday's June 20, 1949, Wall Street Journal is Norton's book, *The Constitution of the United States*, at 60 cents a copy. Here are the number of books the committee hopes to sell according to their statement in the Wall Street Journal:

I quote:

Purchases by corporations or individuals, in order to meet this demand, are needed as follows:

A. 8 buying 4,000 books, \$2,400 each...	\$19,200
B. 15 buying 1,000 books, \$600 each...	9,000
C. 35 buying 500 books, \$300 each...	10,500
D. 60 buying 250 books, \$150 each...	9,000
E. 90 buying 100 books, \$60 each...	5,400
F. 230 buying 50 books, \$30 each...	6,900

This scheme was hit upon after the Honorable Clinton P. Anderson, in 1945, as chairman of the House Committee to Investigate Campaign Expenditures in the year 1944, protested to the Commis-

sioner of Internal Revenue that contributors to the Committee on Constitutional Government were receiving tax exemptions although the activities of the group were without a doubt political in nature. The new book idea was announced in a letter which went to executives all over the United States in the fall of 1947. Here is a statement from that letter:

#### UNCLE SAM PAYS THE BILL

If you have not yet used up your 15-percent tax deductible allowance, or if your company has not yet used its 5 percent of net allowance for educational and philanthropic work, make a contribution to colleges to distribute this book. For this special purpose, make your check payable to Sumner Gerard, agent. (In addition corporations and individuals can charge such purchase to business expense and get a tax deduction.)

I do not doubt that some books are distributed under the scheme, but the cost of those books to the Committee on Constitutional Government is but a small amount of the money received from contributors—and the majority of the money is used to protect the special interests of a few wealthy individuals and corporations against the general interest of the people.

I have selected some statements from the many pieces of literature which the Committee on Constitutional Government has sent to me to illustrate the attitude of the committee toward any housing bill which assists these in the lower-income brackets:

#### FALSE PROPAGANDA

First the Committee on Constitutional Government blamed rent control for the housing shortage. It compared the situation in the United States to that which prevails in France, which has had rent controls, but which has also had two major wars fought on its soil. The committee said abolishing rent controls in the United States would stimulate building by property owners, but there was no explanation in any of the material as to how the people in the lowest-income bracket were going to obtain housing. The special-interest groups represented by the Committee on Constitutional Government are going to build for profit—not for the welfare of the people living in substandards housing who cannot hope to pay the high rents and down payments charged by the builders who are concerned only with filling their own pockets.

The committee states:

Houses cost too much for three principal reasons; they are: rent controls, antiquated building codes, "featherbedding" union rules. Building workers, by maintaining strong unions, keep wage rates far above the levels which would exist if competition prevailed.

#### AGAINST LABOR

What is the remedy suggested by the Committee for Constitutional Government? Abolish the right of the working man to strike to protect his wage rates. Here is the statement of Dr. Willford I. King, chairman of the committee:

The working man does not need to strike to protect himself, for he always can follow Bill Mauldin's famous precept—"If there's a better 'ole, go to it."

It is almost unbelievable that anyone could suggest that laborers be left completely unprotected against the highly organized building industry.

Let's carry the suggestion of the committee a little further—if wage rates for laborers in the housing industry were reduced substantially, would this cause real-estate owners and builders to begin buying up slum housing and constructing low-cost housing for the people who need housing most? Or would it merely cause the builders to reap greater profits on the type housing which they favor—housing for the upper middle and high-income bracket families?

#### PAUL REVERE MESSAGES

Typical of the material put out by the Committee for Constitutional Government are throw sheets called Paul Revere messages. The Members will be interested in the description of the protagonists in the housing fight as described by the committee in one of the Paul Revere messages: the people who need low-cost housing are described in these words, "long haired, often fanatical, frustrated Socialist or Communist delegations"; the members of the real-estate lobby are painted in slightly different terms, "These frugal, self-governing, hard-working, respectful, property owners."

#### POOR CANNOT CONTACT CONGRESSMEN

It is sad but true that the people who need the housing have had few spokesmen. They cannot afford long-distance calls to your offices; they cannot publish full-page ads in the Wall Street Journal; they cannot distribute elaborate printed booklets.

The great agitation against this bill by the real-estate lobby is most difficult to understand since the housing provided under the bill will be designed only for those groups whom the real-estate lobby does not choose to assist.

Nor is it easy to understand their arguments that the Federal Government is going to compete with private industry. Certainly the actual examples of disposition of public housing by the Government after the war should allay their fears—for in almost every case private real-estate operators were able to buy Government-constructed property at a small fraction of its cost and value.

#### A TYPICAL GROUP

I have described in detail the activities of the Committee on Constitutional Government because it is typical of the groups in this country which advocate rule by the privileged interests—a maintenance of status quo—no legislation of social value. I have deliberately avoided mention of the fact that this particular group has at times verged on an almost Fascist approach to government. Some of the members of the Committee on Constitutional Government have been associated with other groups which are most reactionary and publicly known to be Fascist. But there have been enough accusations in the air lately, and I believe I have described their activities in sufficient detail to show beyond question the special-interest group which is represented. These bigots who resent the



idea of housing programs for the poor should remember the origins of our country and the fact that it was founded by poor people who fled from the tyranny of religious persecution.

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 17 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, no one in this Chamber has a greater call from duty to speak than have I. My home is Chicago, and I would stand debased in the eyes of the men and women who elected me if I did not do all to the utmost of my ability in support of H. R. 4009.

For days, as a member of the Banking and Currency Committee, I sat and listened to many witnesses. Spokesmen for our veterans appeared. Among them was no disunity. The men and women we were cheering in the war years were united in their demand for the enactment of this proposed legislation. Spokesmen for labor, for the women voters of the Nation, for practically every segment of our population, except the real-estate lobby and its allies, appeared before our committee, all in favor of this measure.

The spokesmen for the real-estate lobby assured us that there was no housing shortage, that in the last 3 years private industry had supplied 10,000,000 people with homes, that the veterans and their families were happy because they had good homes and there were plenty more available at a low rental or sale price. They assured us, indeed, that private enterprise, in 36 years, would rehouse the entire population of the United States. The lobby's representative readily met the demand for proof by producing six photographs of houses in the remotest sections of America.

Being from the second city of America, naturally I desired a showing from my city. The gentleman accommodat- ingly dug deep into his collection of portfolios and came up smilingly with a picture of a house in Hobart, Ind. He put several hundred words into the record, to be printed at the expense of the Government, in an attempt to prove either my blindness or stupidity in questioning his statement that Hobart, Ind., was not really part of Chicago and within 15 minutes of the city hall. Any constituent of mine—living in Joe Plunkett's ward, beginning at Thirty-ninth Street—could not turn the trick in 15 minutes. I, in Jim Ryan's ward, living in the seventy-sixth block could not get to the city hall in twice the time. And Hobart, Ind., is miles and miles away from the last bit of soil of Illinois in the district of the gentleman from Illinois [Mr. BUCKLEY], which takes up where mine leaves off around Ninety-fifth Street.

If I should go back to Chicago and tell my constituents that I place greater weight on what this real-estate lobby tells me than what they see with their own eyes, and I see with my own eyes,

they would have the good common sense to wonder what had influenced me.

I am not selling out the people of Chicago to the real-estate lobby.

I am not going back to Chicago and tell my veteran friends that there is no housing shortage since thousands of them are living in the only available quarters, cramped up, doubled up, many without the ordinary facilities, many of these homes scarcely fit for human habitation—the best homes that the free enterprise of the real-estate lobby has seen fit or profitable to furnish to the heroes we were praying for in the war years.

I have seen enough of the real-estate lobby in my less than six months in the Eighty-first Congress. Every time the postman has come to my office, he has left its handiwork. Do the high-salaried directors of the publicity drive of the real-estate lobby think that all of the Members of this Congress are stupid? Some of these gentlemen, it is generally known, receive salaries of \$100,000 per year and upwards, but their work is so very crude that if I were the director of the real-estate lobby, I would fire the entire gang and go out and hire a few hard-working, honest-to-goodness newspapermen.

In every letter I have received emanating from this source, and against H. R. 4009, has been the same phraseology, only slightly rearranged. There has been the same avoidance of the facts that I found when the spokesmen of the real-estate lobby attempted to answer my questions in the hearings of the Banking and Currency Committee. The only illuminating light that I could get from the gentlemen was that there was no money in the home-building business until 1938 and that the year he went into business was 1938.

I have no objection to a man going into a business in which he can make money. But I do not think that the real-estate lobby would have had enough money to kill housing legislation before the Eightieth Congress and to make the terrific drive that I have seen going on in the Eighty-first Congress if there had been less victimizing of veterans and others who were forced to pay exorbitant prices for homes because of a housing shortage which the real-estate lobby, for its own selfish interest, was seeking to continue.

I do not believe that money could buy such a man as the venerable, beloved and godly Msgr. John O'Grady. He has spent the hard but good years of a long life walking among the lowly. If any man in America knows the need for decent housing, for the clearance of the slums, for the strengthening of America by the furnishing of a wholesome home environment, this man of God is he.

Listen to these words, not my words, certainly not the dollar-cry of the real-estate lobby, but of this man who knows and who serves only for God and for humanity:

The slum I saw in Chicago to me was utterly unbearable. I thought I had been through some of the toughest places in the world, in the jungles and in the mountains,

and yet I could stand it; but after being in that slum in Chicago for about 2 hours, I had to quit.

What kind of a colleague of yours would I be if I remained silent, coming from Chicago, or accepted the word of the real-estate lobby that everything in Chicago in the way of housing contributed fully to the joy and happiness of everyone?

But, say the fine gentlemen of the real-estate lobby, if here and there is a blighted area, let the municipalities do the job of clearing it up. Fine talk from fine gentlemen. State and municipal governments have appropriated \$55,000,000 for the job in Chicago. Overwhelmingly, at a referendum, the people of Chicago voted a bond issue of \$30,000,000 for the purpose of slum clearance and relocation, and this despite their heavy tax burden, heavy because of the tremendous contribution that the tax money of Chicago makes to aid to agriculture, to great public works of direct benefit to the people in the southland and in the far West.

These contributions have been made without complaint. They have been made cheerfully because the men and women in Chicago, as in other large cities, have always had the concept that we belong to a family—the family of 48 States, our 3 territories and 3 possessions, and that that which benefits one member of the family, benefits the entire family. Chicago and her sister cities, if you measure it dollar by dollar, have contributed many, many times to the expenditure of billions of dollars that have brought to the cities no direct benefit at all, than the money contributed by the regions deriving the direct benefit therefrom.

Does anyone in this Chamber believe that there is no end to patience? Is there a home anywhere within whose walls patience can endure forever, when some members of the family are always giving, giving, giving with sacrifice, and other members are always withholding, withholding, withholding in self-interest? How do we feel in Chicago and in the other urban centers, when we gladly give our money to clean up the slums of the cattle industry, and yet we present our own case for just a little help in cleaning up the slums of human-beings, and we get only the brush-off of the real-estate lobby.

In Chicago we were thrilled by what happened in Mexico when the hoof-and-mouth disease threatened the cattle industry. The border was closed and 500,000 Mexican cattle were slaughtered to prevent the disease from spreading. But the economy of Mexico could not stand the strain of a continued slaughter program. Although Mexico was not a member of our national family, nevertheless, the collapse of her economy would have had serious repercussions upon our own economy. So we formed, with Mexico, the Mexico-United States Commission for the eradication of hoof-and-mouth disease. We furnished most of the money—\$2,000,000 per month.



Approximately 14,000,000 heads of Mexican cattle were vaccinated mostly at our expense—\$2,000,000 a month. The first vaccinating has been completed. The recheck has failed to disclose a solitary head of diseased cattle. Because of this successful experiment we are now looking forward with confidence to the complete eradication of this dread disease in the 55 other nations of the world where hoof-and-mouth disease has contributed tremendously to the undernourishment of the people. It has been a tremendous contribution from America to the health, the welfare, the happiness of all the people of the world.

Yet the fine gentlemen of the real-estate lobby, if they could have seen a dollar in its inception, would have fought it with the cry of state socialism, trespass upon free enterprise, and the best and latest of their verbal scarecrows, economy. Yes, Mr. Chairman, for several long years it cost us \$2,000,000 per month of American money to clean up the cattle slums of Mexico. How can we view with complacency the objections of the real-estate lobby that would not give to the slums where children are growing up, at least as much attention as we have given to the cattle slums?

Do not misunderstand me. I do not begrudge one cent that we have paid out to eradicate the hoof-and-mouth disease. But I cannot accept, for myself and for the men and women of Chicago, the taunt of \$2,000,000 a month for slum clearance in the cattle industry and not one cent for slum clearance in the places where children live.

By cleaning up the cattle slums of Mexico we have added vastly to the food resources of the world. By cleaning up the slums where children live, we will be contributing to that greatest of all resources of any nation, its human resource.

Many of my years have been spent in countries defending human beings for whose blood there was popular hue and cry. Mine has been the profession of the lawyer, yes, the criminal lawyer, if you please, the criminal lawyer specializing in homicide cases, and I know, if anybody in all this wide world can know, the price that society pays because there are real-estate lobbies standing between decency and cleaning up the places where children grow up.

Do not tell me that these boys I have defended were one-half as guilty as a society that tolerates a real-estate lobby.

I remember too well the murder with a sawed-off shotgun, the murder of a clerk carrying the day's receipts in a department store in the city of Chicago. Who fired the gun? A boy of 20 who had been brought up in the slums of Chicago.

Yes, the boy of 20, confused and frustrated, to get the bread and the milk for his sister, dying of tuberculosis in the slums of Chicago, went out on his first excursion into crime with a sawed-off shotgun.

That is only one incident in the frustrating story of the slums of Chicago. That is the greatest of all reasons why I am here pleading with my colleagues to think twice and to say a prayer before

they refuse to give to the children who live in slums that which they gave so generously to the cattle of the Mexican cattle slums.

I would sooner leave this Congress a defeated first-term than go to bed for just one night with the conscience of a real-estate lobby.

But the real-estate lobby wants to talk in the language of dollars. Let us talk that language.

At the hearings before the Committee on Banking and Currency of the Senate in the Seventy-ninth Congress, our own distinguished and brilliant colleague, the gentleman from Washington [Mr. MITCHELL], then in the Senate, being present, testimony was given on a survey compiled in Milwaukee. This careful work showed that 45 percent of the major crimes were of the slums; 60 percent of the juvenile delinquents; 60 percent of the tuberculosis victims. Milwaukee is a typical American city. Therefore I may reasonably accept the Milwaukee figures as likely to hold valid for the other cities of the country.

The slums, then, are responsible for 45 percent of our crime. An authority no less great than J. Edgar Hoover has estimated the total crime cost to the Nation for the current year of 1949 to be \$15,000,000,000. Forty-five percent of \$15,000,000,000 is \$7,750,000,000. But the real-estate lobby has sought to scare my colleagues from undertaking the job of slum clearance by projecting the cost, under this legislation, for a period of 40 years. So let us take the cost of crime that comes from the slums in 40 years. The total would be about \$310,000,000,000.

Sixty percent of the juvenile delinquents come from the slums. Juvenile delinquency, if not counteracted in every way possible, could bring us as a Nation to the ground with terrifying rapidity. If you want to do something to strike at the very heart of this problem, and to save the children of America, perhaps America herself, clean up the slums and start at once by voting for H. R. 4009.

But let us get back to the figures, the figures of dollars so close to the hearts of the gentlemen of the real-estate lobby.

Thirty-five percent of the fires in our cities occur in the slums. The total fire loss in the United States is approximately \$600,000,000 per year. Thirty-five percent of \$600,000,000 is \$210,000,000 which, projected over 40 years, is \$8,400,000,000.

I cannot give you the figures in dollars reflecting the cost to our citizens of disease and human ailments that come from the slums. In Milwaukee the cost per year to the municipal government for the care of each tubercular patient is \$1,500. Governments, you see, do assume some responsibility for the care of victims of tuberculosis, and even my dear friend and colleague from the Thirteenth District of Illinois [Mr. CHURCH] and my distinguished colleague from the district of my nativity, the Fourth District of Michigan [Mr. HOFFMAN] would not call that socialism.

More unfortunate than the cost in dollars, I think, although I do not expect the real estate lobby to follow me in this, is the cost in human life. That cost I can give you with appalling accuracy. In

1946 there were, in the United States, 50,911 deaths from tuberculosis. Sixty percent of the tuberculosis cases occur in the slums. I do not know how many of the tuberculosis cases of the slums end in the cemeteries, but it is probable that in the slums few with tuberculosis recover and 60 percent of 50,911 is 30,546. We may conservatively say that the cost of the slums in human life from this one disease alone is between 25,000 and 30,000 men, women, and children a year.

I will not attempt even to estimate the number of persons who contract tuberculosis, a communicable disease, from tubercular patients coming from the slums, nor will I attempt to estimate the number of children in overprivileged districts who are caught in the net of juvenile delinquency because of associations that come from the slums.

But I do want to say to my colleagues, and to the fine gentlemen of the real estate lobby, that no man is safe, no woman is safe, no child is beyond the reach of danger while crime, death, and disease breed in our slums.

No, my colleagues, I will not sell out my constituents to the real estate lobby. I will not leave the children in the slums of my city without this voice lifted for their liberation. I will not follow the real estate lobby onto the hilltops where the promises are made, while men and women live in the slums and pay the cost in crime, disease, and death.

With many of my colleagues from all sections of our great United States, with my colleagues on both sides of the aisle, I march forward unafraid, in the faith that by doing the right thing and the decent thing for our less fortunate neighbors, we fulfill the destiny of our country and add to the contentment of our own lives. I am voting for H. R. 4009.

Mr. GAMBLE. Mr. Chairman, I yield 18 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, the bill before us today is of such great consequence to our national solvency and our philosophy of government that I would consider myself derelict in my duty, as the free representative of a free people, if I did not express my views on this proposed public housing program.

I do not intend to discuss the technical ramifications of the 84-page bill and 84-page committee report presently before us. It is to the basic issues presented by this legislation that I should like to direct your attention.

Let us set aside for the moment all consideration as to whether a Federal public housing program is needed or desirable. Let us agree that the stated objectives of the bill are worthy. Let us assume that the problem the bill seeks to solve is serious. Let us even assume that the bill will contribute toward a solution of the housing problem by providing better housing for those most in need. In short, let us assume that the bill has merit.

Assuming all that, it seems to me that the very first question we must ask ourselves: Is this something we can afford? I can think of many things of merit for which we might make expenditures. During my service on the Appropriations



Committee I have on many occasions examined items of expenditure of value for which even larger amounts might be spent. But the question always is, or at least should be, not what we can spend on this program or that, but rather how much can be afforded?

And so, I appeal to the Members of this House to consider this proposed program in the light of our existing fiscal situation and the additional financial burden the program would place on our already over-strained economy and over-taxed people. On this bill, and indeed on every other bill that may come before us involving an increase in Federal spending, I urge, with all the emphasis I can command, that consideration be given to the size of our existing public debt, to the heavy taxes now being borne by the people, and to the fact that at this very moment we are faced with the prospects of an unbalanced budget.

Surely, however meritorious this or any other program may be said to be, we would be contributing nothing to the welfare of the people if by adopting such programs we produce national insolvency. Those who profess such great concern over public welfare would do well for improving the lot of the people if they devoted more attention to our Government's fiscal policy. If we are to have a happy, prosperous people, regularly employed at good wages, the very first requirement is that we have a stable fiscal policy.

Hon. James F. Byrnes, former Member of this House, former United States Senator, former War Mobilizer, former Justice of the United States Supreme Court, and former Secretary of State, uttered eloquent and grave words of warning in the address he delivered at Washington and Lee University last Saturday. He has had a background of experience in public affairs equaled by few and probably surpassed by none. I wish every American citizen would read and reflect on what he said on that occasion.

Our first line of defense is not on the Rhine—

Said Secretary Byrnes—

Our first line of defense is a sound, solvent American economy.

And he went on to say a few paragraphs later:

In time of peace we should not resort to deficit financing. Business is dependent upon the stability of the Government's fiscal policy. When uncertainty and fear exist, as to our fiscal policies, private enterprise abandons expansion programs, merchants purchase on a day-to-day basis, and prudent individuals spend only what is necessary. Unemployment results, and the Treasury can never provide sufficient relief employment to take care of all who are dismissed by private employers.

I wish I had the time to quote a number more paragraphs from that great speech by a great American—and, incidentally, a great Democrat—who has served with distinction in all three branches of the Government. We warned that these programs offered "in the name of public welfare" and made possible by Federal aid are "deceptive," that they lead us to "statism" where the individual is "an economic slave pulling an oar in the galley of the state."

At this very moment we are in the midst of a business recession. Unemployment is increasing, and national income is decreasing. One of the contributing factors to this situation is the uncertainty and the fear that exists with respect to our Government's fiscal policy. The danger signals are up. We must cut expenditures and defer others.

And yet it is proposed by this bill before us today that we disregard these danger signals and proceed to commit this Government to a potential expenditure of \$20,000,000,000, and perhaps more, over a period of 40 years. Surely we are not so lacking in political courage that we would risk the solvency of our country. If there were no other reason for rejecting this program, the fact that it is something we cannot afford is sufficient in itself. And we must have courage to tell the people that and not allow them to be blindly deluded by false promises.

There has been some argument as to how much this program will actually cost. Naturally, the proponents of this legislation try to minimize the cost, well knowing that the American people are today deeply concerned about the already high cost of Government. They point to the "reasonable estimate" which was prepared by the Budget Bureau and contend that the cost will only be between \$9,000,000,000 and \$10,000,000,000 over a 40-year period. But that figure does not include the grants-in-aid to slum clearance, nor does it include the contributions for farm housing, nor does it include the proposed outlays for research and administration.

The administration contends that only between \$9,000,000,000 and \$10,000,000,000, rather than the \$16,000,000,000 authorized by this bill, will be required for low-rent housing. They thus argue in effect that all the money will not be used. That is just nonsense. I have yet to see a Federal agency that did not spend every cent allowed it by Congress, and in most cases they ask for more money at a subsequent date.

I readily concede that the nature of the program is such that no one can definitely say how much it will cost. But in passing on the program as representatives of the people we have to face the fact, which no one can possibly deny, that the bill before us today makes a commitment of approximately \$20,000,000 for the program.

While around \$20,000,000,000 is the potential cost to the Federal Government, let me remind you that it does not represent the total cost to the American people. The people also bear the cost of local governments, and the bill calls for local contributions. The money for local contributions will come from the pockets of the taxpayers, just as the money that the Federal Government spends comes from their pockets.

And there is another item of cost to the property-owning taxpayers which should be taken into account but which, I fear, is generally overlooked. The bill provides that each project shall be exempt from the taxes imposed by the State or local governments. That obviously means the person who owns his own home, or is paying for one, must

bear the cost of the police and fire protection, sewage facilities, and all the other services of the local government that will necessarily be provided for the public-housing projects.

Regardless of what figure one may use in his calculation, it must be recognized that this program will place a substantial additional tax burden on the people. And I think it must also be recognized that those who are advocating this program look upon it as only a beginning.

I call your attention to the testimony of Mr. John W. Edelman, representing the CIO committee on housing, when he appeared before the Banking and Currency Committee as an advocate of this bill. You will find at page 264 of the committee hearings this statement:

We point out that the number of units prescribed in H. R. 4009 seems to us to be inadequate, but the CIO, for once, would like to demonstrate that it can be reasonable and conservative, and just for the sake of unanimity we will go along and not make any objections to the curtailment of the number of units here. We feel very strongly that, once this program is under way, it will develop sufficient political momentum, such a strong pressure from the public at large, that there will be no necessity for us to argue energetically for such extensions of the program as may be needed from time to time.

Mr. Edelman is to be commended for his frankness. He frankly admits that this program is intended to be only the beginning. By implication he admits that the program has great political potentialities for the establishment of a welfare state and for the perpetuation of political power.

Why, Mr. Chairman, the program has grown in size and cost even without legislation. The bill that was passed by the Senate last year, but was not acted on by this House, provided for 500,000 units. The bill that passed the Senate this year provided for 810,000 units. The bill reported by our committee and is before us today provides for 1,050,000 units. This in itself shows how programs of this nature constantly grow and grow.

If this bill is passed, I venture the prediction that the \$20,000,000,000 cost figure which the sponsors now contend is an exaggeration of the cost of the program will, in the end, prove to be a gross understatement. By the passage of this bill we will be entering upon a program much more costly than any of us now can visualize.

By the very terms of the bill before us the Congress will have no control over the expenditures. We simply authorize the executive branch of the Government to enter upon a multibillion-dollar program. I call your special attention to how the program is to be financed. This is not a program where the agency involved will get annual appropriations from Congress and by the use of our power to reduce or increase expenditures we can control the progress of the program.

By the very terms of this bill the Congress is granting to the Housing Administrator the right to incur a debt with the full faith and credit of the United States behind it. The money



for the program is to be raised by debt transactions rather than by appropriations. The bill provides that the Housing Administrator may issue notes or other obligations in such forms and denominations as he decides. The Secretary of the Treasury is authorized and directed to purchase these notes and other obligations. In making the purchases the Secretary of the Treasury is authorized to use the proceeds from the sale of any securities under the Second Liberty Bond Act.

Obviously, this procedure bypasses the Committee on Appropriations and the Congress. By the mere passage of this bill we will be making a definite commitment of an expenditure for over 40 years. We will be giving up one of our most fundamental prerogatives. The only control we will have over the expenditures to be made in this program will be the item of administrative expense and that for research.

Mr. Chairman, I cannot approve a program that will, in the face of the Nation's precarious financial situation, add this additional sum, whether it be \$10,000,000,000 or \$20,000,000,000, to the cost of government. This is something which we cannot afford. Nor can I approve a program of this character where it is proposed that the Congress relinquish its fundamental right to control the respective expenditures.

That brings me to the second point I wish to emphasize. Entirely aside from the cost involved in terms of dollars, the program advanced by this bill represents a complete departure from our philosophy of government. If we adopt the policy enunciated by this bill, we will be taking one more step toward socialism.

Instead of endeavoring to devise ways and means by which our great system of private competitive enterprise can do the job that is to be done, by this bill we are proposing that the Government itself do the job. There has been growing in this country a philosophy that, slowly but surely, is destroying the moral and spiritual fiber of our people. Instead of our people asking, what can I do to improve myself and my community, or what can I do for my Government, in growing numbers and with ever-increasing tempo, the people are asking, what can my Government do for me?

That is not the philosophy of government that made this the richest and strongest country in the world. It is not the philosophy of government that has given our people the highest standard of living enjoyed by any people anywhere.

Mark these words of Secretary Byrnes in his speech last Saturday, to which I previously referred:

We are going down the road to statism. Where we will wind up on one can tell. But if some of the new programs seriously proposed should be adopted, there is danger that the individual—whether farmer, worker, manufacturer, lawyer, or doctor—will soon be an economic slave pulling an oar in the galley of the state.

It is down the road to statism that this bill takes us. The ultimate result of such programs as this will be the nationalization of land and homes. The question we have to ask ourselves is this:

should homes be owned by the people, or should we have Government ownership? That is the underlying philosophy of government issue which this bill presents.

No one will deny there is a housing shortage. This is due to a number of factors. It is not due to any fault or failure of private enterprise. During the war period, because of the shortage of men and materials, there was very little building. At the same time there was an increase in the number of marriages and families, a shifting of the population from farms to cities and an increase in earnings. In other words, while the construction of homes and apartments was abnormally low the demand increased abnormally fast.

The program proposed by this bill is not the solution. The existing housing shortage is merely the excuse which the socialistic planners use to put their nationalization plans into effect. Some good, well-meaning people have been lead to believe that the passage of this legislation will almost overnight provide homes for their relatives or friends or neighbors. Insofar as the present housing shortage is concerned, the bill can do nothing in less than 2 years toward alleviating the shortage. And so all this talk about the existing housing shortage being relieved by this proposed legislation is propaganda, designed to sell this socialistic government housing scheme to the people.

In the meantime, private enterprise is itself licking the housing problem. Last year almost 1,000,000 new permanent dwelling units were built. That is a larger number than ever constructed in the entire history of the United States. This building boom was generated by the removal of the wartime restrictions and controls on the building industry by the Eightieth Congress.

In a word, the solution to the housing shortage is the continuation of the record building program now under way. As more and more homes are built, the prices will become lower. Private enterprise, free from Government restrictions and controls, free from the deadening hand of bureaucracy, is doing this job.

But if our Federal Government enters upon a public housing program, in competition with private enterprise, the number of housing units built by private enterprise will slowly but surely decrease. Such has been the experience in Great Britain with such programs as proposed here, and it will be our experience here in the United States.

Private enterprise cannot compete with Government-subsidized houses. Government-built houses, owned by the Government, managed by the Government with part of the rent paid by taxes paid by all the people to the Government, will serve, inevitably, to discourage individual home ownership. A program of this character strikes at the American tradition of home ownership, thrift, and individual incentives.

Mr. Chairman, I sincerely urge upon this House that earnest consideration be given to the dollar cost of this proposed program. I say it is something we cannot afford. I also urge this House to give

earnest consideration to the radical departure from our fundamental philosophy of government which this bill represents. I say that this program will take us further down the road to state socialism.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH of California. Mr. Chairman, I include as part of my statement Resolution No. 8530, adopted by the Board of Supervisors of the city and county of San Francisco, memorializing Congress to write into law an adequate housing bill.

Mr. Chairman, I listened last Sunday evening to an interesting debate on Federal housing over the radio, between three distinguished Members of this House and a Member of the other body. During the debate the word "socialism" was freely used by the adversaries of this legislation.

Mr. Chairman, long in advance of the memory of the younger Members of this body the word "socialism" was used in an attempt to defeat humanitarian legislation.

In 1907, while a member of the California State Senate, I was the author of a constitutional amendment providing for workmen's compensation. It was referred to as socialism at the time. It was necessary for my amendment to be submitted to the people of the entire State for ratification, and it was ratified by an overwhelming majority. California was one of the first, if not the very first State to enact workmen's compensation laws. Since that time workmen's compensation laws have been written into the statutes of nearly every State in this Union. At the same session of the California legislature there was authorized a State-wide bond issue for good roads which was also approved by the people of the State by an overwhelming majority, and placed California at the head of the list of States providing for good roads. This likewise was referred to by some as socialism.

Mr. Chairman, from 1945 to 1948 this country sent 21,744 prefabricated houses to Britain, France, India, the Philippines and Japan. All of these prefabricated houses were of wooden construction and this number does not include prefabricated houses of steel construction. Does the shipment of these badly needed homes out of the United States to foreign countries, and for which we will receive no compensation whatever, constitute socialism? If so, we are nearly all guilty.

Mr. Chairman, some would have it that this country is headed for a depression. I do not share in that thought. If, however, fate should decree another depression with resultant unemployment, we should have a well-thought-out building program. It will be recalled that there was a waste of untold hundreds of millions of dollars during the last depression by reason of the fact that we were not prepared for it. It might have been nipped in the bud had we followed the advice of former Congressman and former Vice President, John Nance Garner, who brought a building program to this floor, but unfortunately his advice



was not accepted. Our country needs more houses for the great middle class and by all means let us have a well-planned building program, including, particularly, low-priced housing. Therefore this bill should pass.

Mr. Chairman, the resolution referred to reads as follows:

**Resolution 8530**

Whereas there is now pending in the Congress of the United States a bill known as the Housing Act of 1949, which has been favorably reported to the Senate as S. 1070 by the Senate Committee on Banking and Currency; and

Whereas said bill, if enacted into law, is to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, a national program of housing research, and a decennial census of housing, and for other purposes; and

Whereas it is to the best interest of the city and county of San Francisco that said bill be enacted into law: Now, therefore, be it

*Resolved*, That the board of supervisors of the city and county of San Francisco does hereby wholeheartedly endorse the Housing Act of 1949, and memorializes the Congress of the United States to give favorable consideration thereto; and be it further

*Resolved*, That copies of this resolution be forwarded immediately to his honor, the mayor, for transmittal to the Federal legislative Representative and presentation by the latter to Senators DOWNNEY and KNOWLAND, and Congressmen WELCH and HAVENNER, with the request that all necessary action be taken to assure enactment of the Housing Act of 1949.

I hereby certify that the foregoing resolution was adopted by the board of supervisors of the city and county of San Francisco at its meeting of April 11, 1949.

JOHN R. McGRATH, *Clerk.*

Approved, April 12, 1949.

ELMER E. ROBINSON,  
*Mayor.*

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, had come to no resolution thereon.

**FURTHER MESSAGE FROM THE SENATE**

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4878. An act to authorize certain Government printing, binding, and blank-book work elsewhere than at the Government Printing Office, if approved by the Joint Committee on Printing.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1742. An act removing certain restrictions imposed by the act of March 8, 1888, on certain lands authorized by such act to be conveyed to the trustees of Porter Academy.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1794. An act to repeal certain obsolete provisions of law relating to the naval service.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) entitled "An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate further insists on its amendments numbered 5, 6, and 7 to the above-entitled bill and asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. HAYDEN, Mr. KILGORE, Mr. McCLELLAN, Mr. JOHNSTON of South Carolina, Mr. CORDON, Mr. REED, and Mr. BRIDGES to be the conferees on the part of the Senate.

**EXTENSION OF REMARKS**

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include a number of newspaper articles concerning the exploits of the Butte, Mont., High School Band.

Mr. SUTTON (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. DAVIES of New York asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

**LEAVE OF ABSENCE**

By unanimous consent, leave of absence was granted, as follows:

To Mr. CAVALCANTE, for the remainder of the present week, on account of official business.

To Mr. BREEN (at the request of Mr. McSWEENEY), for 1 week, upon the recommendation of his physician.

**SENATE BILLS REFERRED**

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 115. An act to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; to the Committee on Post Office and Civil Service.

S. 230. An act for the relief of Mrs. Sonia Kaye Johnston; to the Committee on the Judiciary.

S. 447. An act to amend the Civil Aeronautics Act of 1938, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; to the Committee on Interstate and Foreign Commerce.

S. 471. An act for the relief of Lloyd Gordon Findley and Malcolm Hearn Findley, a minor; to the Committee on the Judiciary.

S. 509. An act to provide for the advancement of Commissioned Warrant Officer Chester A. Davis, United States Marine Corps (retired) to the rank of lieutenant colonel on the retired list; to the Committee on Armed Services.

S. 622. An act for the relief of Isaiah Johnson; to the Committee of the Judiciary.

S. 771. An act to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes; to the Committee on Post Office and Civil Service.

S. 803. An act to provide for the conveyance of a tract of land in Prince Georges County, Md., to the State of Maryland for use as a site for a National Guard armory and for training the National Guard or for other military purposes; to the Committee on Banking and Currency.

S. 897. An act for the relief of William Henry Tickner; to the Committee on the Judiciary.

S. 974. An act to amend the Veterans' Preference Act of 1944 with respect to certain mothers of veterans; to the Committee on Post Office and Civil Service.

S. 980. An act for the relief of Toshie Okutomi; to the Committee on the Judiciary.

S. 1003. An act for the relief of Emory T. Wales; to the Committee on the Judiciary.

S. 1076. An act to amend the Migratory Bird Hunting Stamp Act on March 16, 1934 (48 Stat. 451; 16 U. S. C. 718b), as amended; to the Committee on Merchant Marine and Fisheries.

S. 1278. An act to fix the United States share of project costs, under the Federal Airport Act, involved in installation of high-intensity lighting on CAA-designated instrument-landing runways; to the Committee on Interstate and Foreign Commerce.

S. 1279. An act to amend the Federal Airport Act so as to provide that minimum rates of wages need be specified only in contracts in excess of \$2,000; to the Committee on Interstate and Foreign Commerce.

S. 1280. An act to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; to the Committee on Interstate and Foreign Commerce.

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1285. An act to authorize progressive partial payments to sponsors under the Federal Airport Act program; to the Committee on Interstate and Foreign Commerce.

S. 1405. An act to provide for the admission to, and the permanent residence in, the United States of Poon Lim; to the Committee on the Judiciary.

S. 1429. An act for the relief of Lacey C. Zapf; to the Committee on the Judiciary.

S. 1507. An act to amend section 10 of the act of August 2, 1946, relating to the receipt of pay, allowances, or other expenses while drawing a pension, disability allowance, disability compensation, or retired pay, and for other purposes; to the Committee on Armed Services.

S. 1560. An act to authorize the appointment of Col. Kenneth D. Nichols, O17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes; to the Committee on Armed Services.







accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Celeste Iris Maeda, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Celeste Iris Maeda, as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### SADAE AOKI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2709) for the relief of Sadae Aoki, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadae Aoki, the Japanese fiancée of A. George Kato, a citizen of the United States and an honorably discharged veteran of World War II, and that Sadae Aoki may be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided*, That the administrative authorities find that the said Sadae Aoki is coming to the United States with a bona fide intention of being married to said A. George Kato, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Sadae Aoki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Sadae Aoki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadae Aoki as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

#### AMENDMENT OF NATIONAL BANK ACT AND BRETON WOODS AGREEMENTS ACT

Mr. SPENCE. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 96) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 4332) entitled "An act to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes," is authorized and directed,

in the second sentence of section 3 of the act, after the word "act", to insert the word "and."

The resolution was agreed to and a motion to reconsider was laid on the table.

#### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4009, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, this so-called housing bill is a hoax in many ways. It will not increase the amount of housing in the country. It will not provide housing for those who cannot afford to pay. No limit is placed upon the amount of income a person can receive and still be admitted into a housing project. True, a limit may be set but it is entirely at the discretion of the Federal Housing Authorities here in Washington. In the past this limit has been high in general. From time to time efforts have been made to place a top limit of income on those eligible for admission. Time and time again during the past few years such limitations have been defeated by the proponents of bills similar to this one.

The statement made by Mr. Thomas Danahey, at one time president of the Detroit Housing Commission, is correct. He said:

In the first place, it must be made clear that they—

#### The housing projects—

will not be rented to slum residents or welfare clients. The tenants in these buildings will be people with definite minimum incomes and to be eligible to move in they must prove that their incomes are steady. There seems to be an impression that the slum residents are going to take over the buildings. Such is not the case.

My chief personal objection is this "hoax" being perpetrated on so many kindly, well meaning people who have been led to believe that those without funds and in dire straits can and will be taken into these projects. The history of projects built under the United States Housing Act of 1937 shows conclusively that this is not true.

Mr. Chairman, the fundamental reason why this bill should not pass now is because the country cannot afford it. We simply cannot afford it at this time, and this reason should appeal to everyone regardless of what their philosophy

of government may be. No matter what the nature and character of a government may be, it must be solvent in order to be effective.

Mr. Chairman, this bill involves a commitment on the part of the United States Government to spend at least \$16,000,000,000 over a period of 40 years. This is no ordinary authorization bill. The full faith and credit of the United States is pledged in the bill itself. This becomes a binding contractual obligation at the moment the contract is signed between the local housing authority, the dummy of the Federal Government, and the Housing Authority here in Washington. From that point on the United States Government is just as much obligated to pay the money—and the Appropriations Committee of the House is just as much obligated to appropriate the funds needed to carry out that obligation—as it is to supply the funds needed to pay the interest and to provide for the retirement of the Government bonds of the United States.

Of course, this is only an opening wedge. The gentleman from New York in his statement of yesterday proved the present desire to have a program reaching the amazing total of 1,000,000 public housing units per year. The figure of six and one-half million dwelling units is the generally accepted goal today. While this bill only provides for an annual obligation on the part of the United States Government of \$400,000,000, yet if the total of six and one-half million units is eventually provided for, then at that time the United States will have undertaken an obligation forcing the Congress to appropriate \$2,500,000,000 each year. If 1,050,000 units take \$400,000,000 annually in contributions, then six and one-half million units will demand \$2,500,000,000. Who amongst us is a good enough judge or prophet to foretell what the financial condition of the United States will be 2 or 5 years from now, let alone 25 or 35 years from now?

This is different from a pension; it is different from any other program. If you pass a pension bill and provide pensions for the veterans of our wars in case of need, that legislation can be repealed and the pensions can be cut down. This was done in the Economy Act of 1933 in respect to certain veterans' benefits. But, if you pass this housing bill, then for all time to come the Federal Government is obligated from the moment the contract is signed. There is no retreat, except by repudiation. That would mean national ruin.

There are too many Federal functions already. It is my feeling that if we are to economize at all in Government—and there is a real feeling for economy here in the House of Representatives and also throughout the length and breadth of this country, and if you do not believe it, just take a trip home and check on what I say—if you are ever going to economize at all, then the first essential step is to cut out and eliminate new programs at this time. Why take on new programs? If you take them on, and if you attempt to hold a balanced budget, then what you are doing clearly must be at the expense of the legitimate previously recognized constitutional functions of the



Government. That has been very forcibly brought to the attention of this House not long ago when we had the military pay bill before us. The armed services had not had a general revision of pay since 1908; not an intelligent revision covering the whole subject. In many cases certain members of the armed forces had only a 10 percent increase in pay for years before the Second World War. Now, no one can deny that the Military Establishment is an essential Federal function; yet that bill was defeated here on the floor of the House. There was a great deal of opposition to it, much of it arising from the fact that it provided for a large expenditure of Federal funds at a time when the budget was running into the red, despite prosperity.

If you continue to take on new programs, programs which must be considered in the luxury class at this time, then inevitably you are going to cut down and jeopardize the legitimate functions of the Federal Government.

In addition to the \$16,000,000,000 there are about \$3,500,000,000 in other expenditures provided. The half billion for grants to aid slum clearance is money which will never be returned. It will go where the woodbine twineth. Much of the funds for the farm section will never be returned, because the Secretary of Agriculture is given permission and authority to proclaim a moratorium on both interest and principal under the terms of the bill. What a power to rest in one single individual. Economic life or death over the farmer, according to his whim or fancy.

The proponents claim that it will provide more housing in the United States. I am quite sure that it will not provide more houses from the over-all standpoint of the number of new houses constructed—instead, it will provide fewer. We had an experience some time ago—not so long ago, 1945—with the veterans' emergency housing program. Wilson Wyatt told how it would result in 2,700,000 new houses. You know what did happen. It cut the construction of housing down to a minimum—around 450,000. It was not until that bill, with all of its controls and regulations and tie-ups, was repealed in the Republican Eightieth Congress in 1947 that housing construction in the United States was able even to start. Then in 1948, 935,000 dwelling units were built.

The slum-clearance section requires that slums be eliminated, starting not later than 1951. Up until that time the localities can postpone demolition. But, in order to get the low-cost housing, slums must be eliminated. If the same amount of building was built by private industry, and if the slums were reconstructed and repaired, then you would have the housing created both by the new houses built by private industry, and in addition to that you would have the less desirable but potentially adequate housing of the slums which have been re-created.

Now, another thing you do. The threat of Government competition, the threat of the Government stepping into the field and taking over and of accumu-

lating and hoarding the building materials and all of that is a definite threat to private industry. The tendency is to drive private industry out of the field of residential construction and to make private industry go slower. From the time of the election last fall, when it became fairly evident that this bill might pass, there had been a distinct drop in the amount of private construction each month up until May of this year. That drop was much greater in proportion than in other lines of industry.

In addition, this proposal has a retarding effect on local and State action. The very fact that this bill was pending made many States hold off and refuse to start to do anything on their own. The same was true of the localities. If this bill is passed, then from that point on there is no question in my mind but that the maximum amount of housing and slum clearing in this country will be the top limit for which Federal funds are provided. No State is going to go farther than that when they see the "pie in the sky" of Federal funds looming on the distant horizon. The States will wait for the pie to drop in their laps.

The same is true of localities. So I feel definitely that it will have a retarding effect. If you look back over the past few years during which the agitation for the WET bill has been going on you will find that it has delayed and prevented housing progress. People and governmental units have not bothered to do for themselves what others were promising to do for them later.

I call your attention particularly to section 506. Actually, the substance of section 506 is contained in the present law. Section 506 provides that the Federal Housing Authority can take over all the projects built since January 1, 1948, by the States or localities. Of course, if that is done, and if the Federal Government takes them over, and if the Federal Government agrees to use these annual contributions provided for in this bill for the purpose of paying annual contributions to houses already constructed, then clearly those same funds will not be available to the Federal Government to use for aiding and constructing new houses.

Could that section be stricken from the bill? Yes, of course. It is in existing law. It has not had any effect to date because there have been no annual contributions with which to assume the burdens and take over the State projects when you provide the annual contributions—as you do in the present bill—and if you take that over that way, then you limit the number of houses purported to be built under this bill in the exact proportion to the number and value of the projects previously built by others and now made a State obligation.

If you do strike that section from the bill, the other alternative, then clearly from that point on no State nor locality is going to go in and do anything at all until they have in hand a signed contract assuring them of Federal contributions during the 40-year contract period.

Slums actually are self-perpetuating unless you require some kind of health, sanitation, and building standards and

enforcement by the local communities. The standards in the bill apply only to the local housing authorities. They do not apply at all to the community outside the area limits of the Housing Authority. If you do not include some such standard, then your slums will be coming along just as fast as they ever did. You will have the same continuing necessity that exists today in the minds of the proponents of this bill for providing more low-cost housing and for clearing more slums in the minds of the proponents of this bill.

The mayor of Baltimore has been quoted quite extensively. He is quoted in the committee report on this subject and was quoted on the floor on how the Baltimore plan is only a temporary treatment. The mayor is a former colleague of mine, a good friend, and an able man. I should like to read to you a direct quotation from the hearings. Mayor D'Alesandro answered a question of mine, which brings out his unequivocal judgment on the point I am now making.

The questions I asked him and the answers by Mayor D'Alesandro, are as follows:

Mr. KUNKEL. If you do not have a pretty good standard of enforcement of health and sanitation provisions, such as you do in Baltimore, can you possibly avoid the continuing creation of additional slums?

Mayor D'ALEXANDRO. You could not.

Mr. KUNKEL. The point I am trying to make is that the key to the final solution of this whole problem is the enforcement of proper standards on existing residential property, because otherwise you keep on building new houses to eradicate existing slums, but in the meantime new slums are creeping in and getting worse as time passes on.

Mayor D'ALEXANDRO. Congressman, everybody tries to better himself. They try to move into new homes. They rehabilitate themselves and try to get into new sections. Nobody likes to live in the slums. I was born and raised in the slums, and I still live in the slums of Baltimore. And I did the best job of redevelopment in my section, by doing it with my own home, with my example, I tried to get people to fix their homes up and keep the old section alive.

Mr. KUNKEL. I mean you have to have the standards enforced in order to keep the property from deteriorating.

Mayor D'ALEXANDRO. We do yes. That is the Baltimore plan.

Mr. KUNKEL. Yes, and that is essential everywhere if you are going to go toward the eventual elimination of slums.

Mayor D'ALEXANDRO. That is the point I am making; that that is your starting point, no matter what you do from there.

In other words, this bill at no point even attempts to hit at the root of the problem. The bill itself at best can be termed a temporary cure or opiate. Until you do something about maintaining and improving the conditions of these houses locally it really amounts to nothing at all in the long run. In other words, it merely continues a state of affairs for some later Congress to come in and try to do over again everything which it is being claimed is done by this bill. I hope the future Congress will try a method offering some hope. This bill certainly offers none. We hear a lot about the savings accruing from lessening crime and so forth, all of which will result from clearing these slums.



I contend that you can have no savings at all from that source unless you prevent new slums from being created. The reason? It is not a particular slum which promotes crime. Crime can be created and caused by new slums and developing slums just as much as from an old slum.

These houses are not low-cost nor are they low-rent houses. The only question is who is going to pay the rent. Actually when we had hearings on the bill for housing at military posts it was testified, and this is absolutely up-to-date and recent, that 17 percent more had to be paid by the Government for its construction than was paid for the same type of construction work done by private industry. The estimates on how much more these public housing projects cost than similar houses by private industry run anywhere from 15 percent to 25 percent. In some cases, much more. The difference is and the question is who is going to pay the rent. The user of the accommodations, or the Government and the user. The subsidy by the Federal Government is \$381 a year. Then to that you must add the local subsidy. This is brought about by the tax exemption of all local taxes, including school taxes and all States taxes. This is written into the contract. It is binding on the States and communities for the life of the contract.

Now that is \$31.70 a month. The Federal Government can pay \$31.70 toward the rent. Then, in addition to that, you have the amount paid by the locality. In our country there are 39,000,000 homes; 20,000,000 of them are owned by the people living in them, and 19,000,000 are occupied by renters. Those 39,000,000 families will be paying the rent for the favored million selectees who are going to be selected. I am not saying whether this selection is going to be good, bad, or indifferent, but somebody, somehow, is going to select them, and say, "You can come in and you can go out." You have 39,000,000 people paying Federal taxes and local taxes in order to subsidize the rents of 1,050,000 families. Worst of all, millions of these people are less able to afford high rents than many of those whose rent they are helping to pay.

This is not low cost, because the top limit of cost is \$2,500 per room. In many sections of this country 99 percent of the homes owned or rented by the people living in them today did not cost \$2,500 a room, even if they were built recently. For more than 50 percent of these homes did not cost near that much. May I make a suggestion to those of you who are so strongly in favor of public housing and intend to vote for it? Before you go home, find some good explanation—if you can—to give to your friends and your constituents who live in these lower-cost houses. They will be interested to know why they are being taxed, why their money is being taken over to some place else to provide, at their expense, a house for some other person's family. Personally, I think it is rather hard to explain, but I will not have to bother to explain this because I am going to vote against the bill. But it is some-

thing for the public housing advocates to have in mind, unless they come from New York, Detroit, or some high-cost city. The committee report—page 23—calls it unrealistic and not well founded to expect public housing to be built for as low a cost as private houses. In other words, the Government will tax you to build a more expensive house for your neighbor than you built or rent for yourself. Great stuff.

In addition to that, as the gentleman from Kansas [Mr. COLE], has so well pointed out, there is discrimination all the way along the line. In the first place, there is discrimination between States because some States are not going to use any of these funds. Six States do not even have enabling legislation.

In the second place, the units will go mainly to the large cities where the construction costs are highest. Even assuming that a community does get a project, then you come down to the discrimination between individuals.

I am not going into the question of whether it might be just or unjust discrimination. The gentleman from Ohio [Mr. SMITH] has stressed the dangers of political control of human shelter in his minority report. It may be either, but the fact that some are going to be chosen and some are going to be refused shows that there is discrimination. Where there is to be a selection of some from among many, then you must select. Therefore you have this problem of discrimination inherent in public housing.

Now I want to go into the question of local taxes. No one has covered that to any extent. In the contract between the Central Housing Authority and the local unit, the unit must be exempted from all city and county taxes, all State realty taxes, and all district—sanitary, park, and so forth—taxes. That includes school taxes. That is a mighty important point. In the District of Columbia they charge \$150 for each pupil from outside the District who goes to an elementary school.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. KUNKEL. In the District of Columbia they charge \$150 for each student from outside the District of Columbia who goes to an elementary school and they charge \$200 for everyone attending high school. That charge is based strictly on what it costs to educate the child. I have not had a chance to make a Nation-wide check, but I have checked up on another community located not far from here in a neighboring State. There, a person with an above-the-average home, one which would pay more taxes than the average home in that community, pays about \$95 in local taxes per year. It costs the schools in that town over \$150 for the education of each pupil. I think it would be proper that we should make provision, if the program goes through, for people with

large families, as the proponents contend should be done.

So you can see that this school-tax item alone will run into money for the local communities. There is payment in lieu of taxes by the Housing Authority. That is true. That amounts to 10 percent of the shelter rent. The average shelter rent is \$2.30 per month per unit, or \$28 per year.

Compare that \$28 per year with the cost of \$150 for one child in school and the cost of fire and police protection, garbage collection, and everything else which the municipalities furnish. Then you suddenly find that it is not all "pie in the sky" for the local communities. Meanwhile the town or city has given away by contract this big segment of its authority for a 40-year period.

Let us consider for a moment this matter of payments in lieu of taxes. These figures are taken from last year's hearings and are for the years 1945, 1946, and 1947. There are no figures for 1948 because the Committee on Appropriations did not provide for payments in lieu of taxes unless there was a contractual obligation between the Housing Authority and the community and then only in the amount specified in the contract. Often this was less than the 10 percent of shelter rent allowed in this pending bill. So we turn back to 1945, 1946, and 1947 to get the comparable accurate figures. We find payments in lieu of taxes were roughly one-quarter of the normal full taxes assessed against other property in the town. Therefore, three-quarters of the local cost is borne by other citizens of the community for the benefit of those in the project. Twenty-nine million dollars per year will be paid in lieu of taxes; therefore, \$87,000,000 per year was borne by the local communities. Thus, it is apparent that in the long run there must be either an increase in local taxes on the nonproject property or the individuals living in the town or else more Federal control and more coming down here to Washington for additional money to carry through these housing projects. In addition to that, the future payments in lieu of taxes will be less rather than more. They will certainly remain constant at present levels and they may decrease, because there are a lot of high-income families in the housing accommodations today. They pay more rent than the others. The program announced is to put those families out and take the low-income families in. Shelter rent is gross rent less the utilities. As those higher-income families go out and new low-income families come in at a lesser rent, the payment in lieu of taxes will tend to drop.

I wish to close by pointing out one thing: In this country today, no matter what we would like to see, there is a strong drift towards public ownership in many fields. The most striking illustration of that is the way in which the Federal Government has taken over atomic energy. That has been put entirely and absolutely in the hands of the Federal Government. There was no alternative. It was the only way to handle this new force, because of its



very nature. Atomic energy has potential dangers to the human race, we know. So we have to put control in the hands of the Government; we cannot allow school children to be running around playing with some bit of atomic energy. We cannot afford to allow private industry to speculate with it except under strict Government supervision. The point is: by placing this in the hands of the Government you have given the Government complete control over the great source of the power and energy of the future. There was no alternative; we had to do it; it was in the nature of things.

The Government has entered the field of public power mainly because of scientific developments, particularly the fact that hydroelectric power is a natural by-product of dams. Flood control and navigation can best be promoted and furthered by building dams. So we naturally drifted into that field. I could point out many other examples of this drift (radio, television, and so forth), though perhaps not so striking. So many things simply cannot be kept out of the hands of the Government with modern science and invention at its present stage. Hence, it is all the more important to hold all that we can in the hands of private individuals; and of all the things which we should retain in private hands I believe human shelter and the building of houses and the owning of houses is one of the most natural and most vital. Clearly, in connection with the building of homes there is no demand and no call comparable to that in the case of atomic energy.

You have this drift. It is extremely dangerous. The current pulls us towards the rocks of statism, and complete statism. The full union of economic control with political control is the thing we have to fear. Political control of any government, whether it is a socialist government or a totalitarian government or a democratic government, must be vested in the hands of a few people. A small group must always make decisions and issue the orders to carry them out. We have to have a small number down here in Congress, 531 out of 148,000,000. All 148,000,000 could not get together and vote on the innumerable questions arising. We have to have a small group down here at 1600 Pennsylvania Avenue, who are going to make decisions, the President, his Cabinet, and so forth. You cannot disperse political power too widely. It becomes unwieldy and ineffective. In the political area, it has always been that way. You can spread economic power throughout the country. You can disperse it widely. Where this has been done, and where it has been relatively free of political control, there the great advances in civilization and in human welfare have occurred. Strangely enough, many of the people who argue most vigorously for this great concentration of economic power with political power in one group of hands at the top of the Government are the same people who wisely pointed out that the obvious and entirely similar defects and abuses which come about from the too great concentration of economic power in the hands of too few individuals and

groups. Their solution, it seems, would be to magnify the evil by vesting all economic power in one place. That one place is where the even vaster power, the political power, already resides. Government can step in and discipline big business. But if big business and big labor are swallowed up by big government then who is to police big government?

As long as we have a certain amount—no one knows how much the amount is—of power dispersed in the hands of individuals and groups throughout the country there is the ability to resist the Government and prevent too great abuses. If and when that drifts too much into the hands of the Government, then there is no effective ability to resist left. Then you have your totalitarian state. The state does as it pleases. The rights of the individual disappear.

If we are going to turn over to the State those things which are completely unnecessary to place in the States hands at a time when the Government has not the energies or the money or anything else to go into those fields, if we are going to do that at this time, then I say we are taking the greatest step towards socialism that any nation could possibly take. Bit by bit we add to the drift caused by science and invention. We give the turn of events momentum.

Socialism has a good ring to many people because the definition of socialism usually accepted is a free, classless state with a tinge of internationalism connected with it. I think we can all agree that a free, classless state is a highly desirable objective toward which we can direct our policies and toward which Government should strive. By concentrating economic and political power in the hands of a few people, then, in my judgment, what you do is to take a practical step which will completely defeat this desirable ideal, an ideal all of us have in mind and which all of us want to further in this Government of ours in the United States. Do not ever forget this: The United States is the closest approach—by far—to this free, classless state in the world today, or in the history of the world. We came along this road by keeping the economic and the political power pretty well separated.

Mr. Chairman, we must resist this trend. Human nature has not changed much. We have gone a long way in science, but we have not begun to understand man. Until you find the time when you can change human nature, you had better rely on harnessing the impulses of selfishness and using means and incentives to channel them into desirable pathways productive of over-all human benefits and adding to the general welfare instead of risking the corruption of this small group at the top by giving them an undue concentration of power. Power corrupts, and the greater the power, the more danger of greater corruption. The founders of this great Nation understood power far better than we do. They safeguarded at every turn against the concentration of power. Church separated from the state, States juxtaposed against the Central Government, the executive, legislative, and judicial branches of the Federal Government

given checks and balances against each other, and above all, the economic power widely dispersed and segregated from the political. We face a challenge from the nature of the modern era. Let us try to meet it and resist yielding to it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Chairman, as a great believer in free enterprise, I cannot help but oppose H. R. 4009. Controlling rents is bad enough, but in passing the last rent-control bill, we paved the way for gradually doing away with it and at least getting it back to the State level. However, rent controls combined with a Federal public housing bill will practically kill the private home building industry and lead further to the totalitarian state, which I am certain the majority of Americans are bitterly against. We have the examples of both France and England to refer to and why the American people should have any desire to learn the hard way is something I shall never understand.

To my way of thinking, this is one of the most important pieces of legislation in the so-called Truman socialistic program. Every day my mail is filled with letters from good, sound American citizens from my district protesting the administration's spending policies. To launch upon a \$19,000,000,000 program, which continues over a period of 40 years, at the present time when the Federal income is bound to be a great deal less than estimated, just does not make sense.

I have to admit that there are sections in my congressional district where some low rent housing could be used. It is not to any great degree due to a shortage of houses. Local papers in these areas carry longer lists of houses for sale than have appeared in their columns for years. Unfortunately, the sale prices of these houses are too large for some of those needing homes to carry. I honestly believe that situation is gradually changing. Material prices are coming down and the net result will be lower unit prices. I am under the impression that some of the people in the mid-Hudson River section of New York State believe that the pending housing bill will ease the housing problem for the low income families. Now let us be realistic. If this bill passes, only a few of the larger metropolitan areas will get the public houses. I can very easily picture the distribution being used as a patronage bid for increased votes where it will do the most good. As Al Smith would express it, "The record shows that has happened before." The record of the construction industry proves very definitely that it can cope with the housing problem without Government interference. Since the war, the United States Bureau of Labor Statistics reports that private builders have erected nearly 3,000,000 units. Last year alone, nearly a million homes were completed. Now we have a bill calling for the erection of 1,050,000 units in 7 years at a cost of between sixteen and nineteen billion dollars. Four hundred



million dollars would be used annually for 40 years to pay the subsidized rents. Should the bill pass, at best only 150,000 units would be built a year and the sad part is the effect that this small number will have on those with venture capital. Those able and willing to invest in homes will refuse to risk their capital in the face of Government building and no one can criticize them. It has been stated that at best only 6 percent of those who would qualify would be cared for under this bill. In all fairness, is it right for all the others to be taxed to help pay for homes for these few? Of course it is not. I have always said that the Government has no business getting involved in any business unless that industry fails. Certainly private building is doing an outstanding job to alleviate the present housing shortage.

Those of us who have watched our local tax problems grow must also consider this bill from that angle. Public housing projects are to be exempt from the regular real estate taxes. But still the municipalities will be expected to furnish all the regular utilities plus all the public services received by the other residents. Again the tax burden increases to take care of the few who might be benefited.

It has been brought to my attention that New York State paid 19.05 percent of the total internal-revenue collection for the year ending June 30, 1948. This means that if H. R. 4009 becomes law, New York's share would be equivalent to a State's 40-year bond issue of approximately one and three-fourths billions of dollars. Then you have to add to that the indirect costs, which include the expense of extending streets, sewers, water, police, and fire protection, estimated at about one-third of the direct cost. This brings New York State's share way over \$2,000,000,000. For your own satisfaction, reduce the above figure to your own town's proportionate share and then decide whether such extra tax burdens might bankrupt your communities. Personally, I would rather have no public housing than to obligate my constituents to pay for it elsewhere, thereby saddling my district with a tremendous extra burden.

This bill, after all is said and done, will have very little to do with making it easier for people to buy, build, or rent houses for themselves. It is a bill very similar to the one blocked in the House last year. In addition to the public housing feature, it has a slum-clearance provision and farm housing. The slum-clearance section is the best feature in it, but this, too, would cost hundreds of millions of dollars. The farm provision is generally conceded to be a political move to help the tenant farmer of the South. I doubt if any farmers in our part of the country could qualify.

In closing, I simply wish to state that the principle of this legislation is far from the American way. Home ownership has been a great help in building America. Every citizen who has worked and saved to own a home is proud of that fact. Let us not let him down. We all believe in progress, but when we let our ideals run away with our good judgment,

and thus tend to weaken our financial stability, we must call a halt. We must hold our position as the financial citadel of the world, or all will be lost with complete collapse.

(Mr. LEFEVRE asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

#### EXTRAVAGANT ESTIMATES

Mr. PATMAN. Mr. Chairman, I do not agree with the distinguished gentleman from Pennsylvania, who has just addressed the committee that the figures are as large as he has indicated. In fact, the amounts given by him are very fantastic and greatly exaggerated, in my opinion, from the investigation I have made and from the knowledge I have of this subject.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. YOUNG. The gentleman from Pennsylvania who just preceded the gentleman now speaking stated that this low-cost housing or slum-clearance program, if enacted by the Congress, would be the greatest step toward socialism any nation can take. I wonder if the gentleman from Pennsylvania considers Senator TAFT, of my State, who has supported this legislation, as being a Socialist?

#### CHARGE OF SOCIALISM UNFOUNDED

Mr. PATMAN. I do not consider the program socialistic. In the Senate, I think, there were only 13 votes against it out of a body of 96 Members. I cannot conceive of 50 or 60 United States Senators voting for a bill that they believe is socialistic. Anything in the interest and for the benefit of poor people is almost invariably branded as socialism. Back when we had all private schools, and efforts were made to have public schools, the cry of socialism went up; destroying private enterprise, private business, private schools. But now you never hear anyone contend that the public-school system is socialistic.

I recall the time when we had toll roads and highways. Every 5 miles you would have to stop and pay tolls. The tollkeeper was there. When the county or the city or the political subdivision attempted to build a highway the cry went up, "Why, that is socialism; that is destroying the private enterprise system." But now you never hear of any such charge as that. I recall the time when people coming into my home town, Texarkana, Tex., were required to cross the Red River, coming in from the Arkansas and the Oklahoma and the Louisiana side. In order to cross that river they had to cross on a ferryboat. That ferryboat represented an expenditure of just a few hundred dollars, but it made several hundred dollars every day. It was a very profitable operation. At one point, when the people of the county got together and voted funds to build a fine

bridge and do away with the ferry, the people who owned that ferry were charged with dynamiting that bridge and destroying it on the theory that they were against the socialistic system, and they did not want to have private industry destroyed by having a publicly owned bridge, incidentally destroying a business for themselves. Now you never hear of any objection to eliminating toll bridges and toll highways nor free public schools. But everything that comes into the House like this for the poor people, although it represents only one-half of 1 percent at the maximum of the residential housing units of this country, the old cry of socialism is brought out again. It is not socialism to do things that will prevent both communism and socialism. This country was on the verge one time of communism and socialism but it was saved because the Congress passed certain legislation that was helpful and helped the people promote the general welfare, and the people have no longer thought about communism or socialism.

The preamble to the Constitution of the United States says:

We, the people of the United States, in order to \* \* \* to promote the general welfare \* \* \* do ordain and establish this Constitution of the United States of America.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Louisiana.

Mr. BROOKS. The gentleman is making a splendid statement and I hesitate to interrupt him when he is making such a fine statement. But, as he was talking, I recalled the news release which reached my office, I think, yesterday or the day before, from the national commander of the American Legion, Perry Brown. Perry Brown happened to have lived in my congressional district at one time and he now lives in the State represented by the gentleman from Texas. He is a strong disciple of private enterprise, and his all-out statement for the Legion indicates clearly that he feels the Legion's viewpoint is that it is a patriotic program.

Mr. PATMAN. I thank the gentleman. The American Legion is behind this program as indicated by the gentleman from Louisiana, because the American Legion is an unselfish organization. They have differences of opinion, of course, but generally they are unselfish and they want to see the right thing done.

#### PROMOTE GENERAL WELFARE

Concerning the general welfare, it is our constitutional duty to pass laws that will promote the general welfare. We are charged with that duty under the Constitution of the United States. One of the first things we do here in the House is to take an oath that we will support the Constitution of the United States.

Our country has been referred to as a welfare state. That is the correct name for it if you go according to the Constitution, because the Constitution says we must promote the general welfare. A welfare state, yes. That does not mean socialism, communism, or fascism; it means private enterprise. It means the



Government can get into certain lines of business where it is necessary to promote the general welfare.

Not so long ago I had a letter from a good banker friend of mine. He was objecting to the Government's getting into any type business in any way, shape, form, or fashion, words that you often hear along that line. I did not write him this, but I could have, that if we were to get the Government out of all kinds of business the bankers would not have any business at all. The only business they have is operating on Government money, money created by the Government of the United States. If you take the Government out of the banking business the bankers do not have any business. So we cannot in every case take the Government out of business.

I do not want the Government in the housing business, no; but in a case like this these people that will be provided housing, and decent housing, for the many reasons which you are acquainted with and which I shall not repeat, cannot buy any kind of a house. They talk about them buying a \$5,000 house. They cannot buy a \$5,000 home, a \$2,000 home, a \$1,000 home, or a \$50 home. They cannot buy any price home. They are the people we are trying to take care of, poor folks who cannot buy anything.

It is not contemplated that 810,000 families will stay in these 810,000 units for the next 40 or 60 years. During that time 10 or 15 or 20 families will occupy each one of these units. There will be a turn-over. The 810,000 will go in but, as they have a larger income, more income, they will go out and buy homes for themselves and other people will come in. In that way, if the cost is \$8,500 per unit, as estimated, if you divide by 10 families using it over a period of 40 to 60 years, the cost is only \$850 per family, which is not very expensive to take care of a family. So this argument about the cost of these units has certainly been greatly exaggerated.

#### SELECTION OF TENANTS

The gentleman from Pennsylvania made an argument that should be answered about the selection of these tenants. He said someone is going to select these tenants, and that there will doubtless be discrimination in the selection. I will tell you how they will be selected, and use the gentleman's home town for it. He is from the great city of Harrisburg, Pa., the capital of the great State of Pennsylvania. They have housing projects there, more than one. They have never had a Democratic mayor in Harrisburg, never in history. When the housing authority was created, the Republican mayor selected the directors for that housing project. They were confirmed by the city council. They are outstanding men and women, business and professional leaders. Look at the people who are on the board of directors of these housing authorities. You will find the finest and best people in the United States. Now it is said that some Members of Congress want to vote for this because they can put their friends in these housing projects. Of course that is utterly ridiculous. A Member of Congress has no influence over it whatsoever

and he should not. We have a housing project in my district. We will not have another one by reason of this legislation. We are not getting anything out of this for my people—not 1 penny. But I believe in promoting the general welfare of all the people of the United States. That is our duty under the Constitution. When the people are selected for the housing unit in Harrisburg, Pa., the Member of Congress has nothing to do with it. When they are evicted from that housing project a Member of Congress has nothing in the world to do with it. Only the board of directors selected by the Republican mayor of Harrisburg has any control or jurisdiction or authority over that housing project. Yet they claim that there will be all kinds of politics in the selection and the evictions of these tenants in these different housing projects. There is not a word of truth in that, at all.

#### SELFISHNESS AND GREED

We have selfishness in the private-enterprise system. I am a great believer in the private enterprise system. I want to encourage it and help it and not do anything to retard or destroy it. But I concede that in a private-enterprise system there is selfishness. We are all selfish. That is why we work so hard—we work for ourselves. That is expected. No one denies it. We all admit it. That is all right. That is what makes a great country—the private enterprise system spurred on by selfishness. I am for it. But greed is different. Greed goes beyond selfishness. Where there is greed, there is no vision. Greedy people cannot see the general welfare. They only see their own interests and they cannot look at the general welfare at all. So, where there is greed there is no vision and I believe the Good Book tells us that where there is no vision the people perish. We have a lot of greedy people in this country and when anything comes up to help the poor folks they are against it. They are against anything to help the poor. Private-enterprise system will be helped by this bill as private contractors will construct every house and every unit in every project. Private suppliers of materials will furnish the materials for these projects. They will build houses which would not otherwise be built. Were it not for this bill these houses would not be built. Yet they oppose it—why? A lot of them are greedy—I do not say all of them are, but most of them are, because they want to continue doing business as they are. They say, "Let them do it under the FHA. Let them build some low-priced shacks or houses."

As I said awhile ago these people cannot pay anything for a house. They cannot pay \$50 for a house. Many of them have had misfortunes over which they had no control. They do not have the earning power. Thus the slum conditions have been created which we must eliminate in order to promote the general welfare. That is the object of this bill.

There are greedy organizations that have been fighting this bill. We have the Committee for Constitutional Government. We have the National Association of Manufacturers and the United States Chamber of Commerce. If you

will notice, the same groups—exactly the same groups—fight every bill that comes up here which has for its purpose the promotion of the general welfare. They fight not alone, but shoulder to shoulder.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield 10 additional minutes to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, they fight every bill which is designed to promote the general welfare. They have plenty of money. They have ways of getting money. Under our tax laws we pay for that—the taxpayers pay for it. Corporations which are now earning four times and five times as much as they ever earned before, corporations which are retaining more of their earnings than they ever retained before, can make contributions to these different groups because they claim they are educational. They do not admit that they are propagandists. They claim they are educational. In that way they get tax deductions. They do not have to pay taxes on this money that they contribute to these organizations. That is up to 5 percent, and in certain cases 15 percent, of net and gross profits.

But there is still a better way of getting that money. They can buy at high prices books and literature and things like that, unlimited amounts of money, and they will deduct it as business expense, and get a tax reduction. So that the people, indirectly, are paying for all of this propaganda. The amount of money that they can spend is unlimited. Yes; they put a lot of people to work—spending money that should go into the United States Treasury. There is no limit to the amount of money that they can get for that purpose.

The corporations last year were really greedy. I say again, where there is greed there is no vision, and where there is no vision the people perish. If you leave it to the big corporations of this country to do what they did last year, we would not have any private enterprise system. We would either have communism or fascism. They would be the only alternatives. Last year they earned \$21,000,000,000 after the payment of all taxes—manufacturing concerns—four or five times as much as they ever earned before. Mr. Truman was right. They were causing inflation by high prices.

#### WHAT IS WRONG WITH STOCK MARKET?

Now, these greedy people say, "What is wrong with the stock market? People are not buying stocks like they should." I have been told of one corporation with a million shares that has \$13,000,000 of actual cash money and United States Government bonds. If it should liquidate immediately each shareholder would get \$13, not considering the business and the going-concern value of that business, and that stock has been selling for \$9. Why is that? I will tell you one or two reasons why. Whenever the stockholders see the officers and directors, who own very little of the companies they represent, keeping nine-tenths of their earnings, holding it back from them, keeping it out of the stream of business, they begin to get suspicious and



they say, "Why should I own stock in a concern that is run by people who own so little of the company that they do not care for the stockholder?"

The American Telephone & Telegraph Co. is one of them. All the officers and directors running that company own one thirty-third of 1 percent of the stock of that company. Imagine those officers and directors owning one thirty-third of 1 percent. They have the power to do most anything they want to do with the earnings of that corporation. They can contribute to all these propaganda outfits, make available to them all kinds of money for all kinds of purposes. In addition to that, they can vote themselves retirement benefits, \$25,000 or \$50,000 a year; annuities costing \$100,000; bonuses and big salaries up to six and seven hundred thousand dollars a year. The stockholders have no control at all over the company. They cannot even get consideration of any viewpoint they might have. Whenever they see a few people owning a small part of that concern, exercising all that power and authority, and abusing it, they have a right to stop, look, listen, and think. So the people who are greedy are the ones who are causing this situation, and I hope that the paid lobbyists, who are the special pleaders to fight this bill in the interest of the general welfare, will not prevail, as they have not prevailed in the past.

Let me invite your attention to the present law that was passed in 1937. Mr. Straus, from New York, came before our committee and advocated it. Under that law we have today 152,289 active residential units under the 1937 act. Do you know how much we contribute each year for the 152,000-plus? It has been said that we contribute \$24,000,000. We are liable for \$24,000,000, but we appropriate only \$5,000,000. So these figures are greatly exaggerated, and it is not likely it will be \$5,000,000, because so much will be paid in rents by the people who occupy this space. So I hope that every Member of Congress will give serious consideration to this and not be led astray by these fantastic statements about the huge cost, which are grossly exaggerated.

In this case the opposition to this housing act is led by greedy organizations and by a lot of greedy people. Some of them are not greedy; I do not believe all of them are, but generally the greedy people are spearheading the opposition to this legislation as they have spearheaded the opposition to all such measures in the interest of the general welfare. I heard the gentleman from Missouri [Mr. CHRISTOPHER] the other day make an interesting statement which I think is worth repeating. He said that when he is called upon to vote upon a bill he first wants to understand the provisions of the bill and make sure what it will do if enacted into law. Then he votes for or against it according as the provisions impress him. Then he looks around to see who is behind it, who is sponsoring the bill; then he looks around to see who is opposing the bill; and in that way he can usually come to a good conclusion. In this case you

find exactly the same people all the time opposing legislation, anything in the interest of the general welfare. They spend millions and tens of millions of dollars in order to mislead and deceive the people.

I hope the Members of this House will vote for this bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, over the years, the House of Representatives has earned the honorable reputation of never forgetting the needs of one large group in the country that has won its right to be heard the hardest way. I speak of the veterans, the men who risked their lives in battle to preserve the democratic way of life we treasure so highly.

It is fitting and proper that we should listen to their pleas when they come before us. Our debt to them is great. Any proper consideration we can give them honors us as well as them. As we draw near a decision on the proposed Housing Act of 1949, therefore, it appears appropriate for us to ask what the views of the veterans are on this highly important measure.

Does this bill mean anything to the veterans? What is their stake in it? Are the men and women who served their Nation in its perilous hour in favor of slum clearance, housing assistance for the families of little means in the cities and on the farms, and an orderly program of research to cut building costs and improve housing standards?

Many of my colleagues in the House are themselves veterans. Some are veterans of two wars. I think they will have a particular interest in the views of their comrades in arms.

They will join with me in rejoicing that all the organizations who speak for the veterans—yes, all of them—are of one mind and forthright in their attitude toward this forward-looking housing bill. They are for it, gentlemen, all of them.

Who are some of these veterans who call upon us to act in favor of the housing bill? Let me name some of them for you. I can only mention a few, but their voices speak the minds of thousands and millions of others like themselves.

One of them is known to all Americans. He is none other than Gen. Jonathan M. Wainwright, the beloved hero of Bataan and Corregidor. As national commander of the Disabled American Veterans, he told our Foreign Affairs Committee last February:

In keeping with our proposed objectives during the coming year, we will ask Congress to stimulate construction of low-cost rental units for compensated service-connected disabled veterans.

More recently, Charles E. Foster, assistant director of national legislation for the Disabled Veterans, appeared before the House Banking Committee. I quote from his testimony:

The Disabled American Veterans is . . . primarily a single-purpose organization dedicated to securing benefits for those who, as a result of their service to their country, lost a part of their bodies or minds. Be-

cause of the critical housing situation, we are appearing here today in support of H. R. 4009, a bill designed to stimulate the construction of housing for both city and farm dwellers.

Now let us add another voice to the roll call for veterans who answer "aye" to H. R. 4009. Here is the American Legion, more than 3,000,000 strong. What did the Legion have to say about the housing proposals before us? At its convention in Miami last October, it adopted a resolution calling for a genuine over-all housing program. Let me repeat here the five points of their program:

1. Federal aid to States and municipalities for low-rent public housing for families of low income for whom private enterprise cannot provide.

2. An adequate farm and rural nonfarm program with Federal aid for families of low income.

3. Adequate Federal aid to nonprofit veteran cooperatives for large-scale developments including 100 percent Government-guaranteed financing or where not available provision for direct Government loans.

4. Federal aid to States and municipalities for slum clearance and urban redevelopment.

5. A more adequate research title than presently provided in the Housing Act of 1948.

That is the program which the Legion urges. Note well that four of the five points—slum clearance, public housing, farm housing, and research—are covered by H. R. 4009. Indeed, the Legion's resolution is virtually a brief summary of the pending bill, so closely does it follow the Legion's suggestions.

Now here is another voice from the veterans. This time it is the Veterans of Foreign Wars, among the largest of the veterans' organizations. Its spokesman before the House Banking Committee, Jack Carter, speaks for 1,500,000 veterans. He minced no words when he termed the housing problem perhaps not so dangerous a problem as potential invasion by an unfriendly nation, but certainly a problem of which we should take immediate cognizance.

The VFW gave the bill its specific endorsement. Its spokesman even went so far as to imply that the bill might well be expanded in its dimensions. He said:

No claim is made here that the bill H. R. 4009 would solve the entire housing problem. In fact, only about 10 percent of the estimated demand, currently set at about 15,000,000, will be met if all 1,050,000 units called for by this bill are built. It is, however, a start and will without question serve a portion of our population in dire need.

Still another group of veterans solidly behind H. R. 4009 is the Jewish War Veterans of the United States. It too realizes that this bill is not only important to the veterans, but also to all other citizens who are without decent housing. This organization, at its fifty-third annual encampment last September, approved the bill in substance and also authorized its national officers to work for its passage.

The Jewish War Veterans support this measure because it realizes that it is sound economy to replace slums and squalid shacks with decent homes for American citizens. I believe its representative, Bernard Weitzer, spoke the



feeling of many of us when he told the House Banking Committee that the expenditures contemplated in H. R. 4009 "would seem to be sound practical economy—eliminating a huge financial burden which produces nothing but brief and creating a physical environment which results in sound, healthy citizens who would add to, rather than diminish, our resources."

The American Veterans Committee, an organization born of World War II, also replies to the roll call with a resounding statement in favor of H. R. 4009. During the hearings before the Banking Committee its national vice chairman, Joseph A. Clorety, Jr., said:

The bill meets with our hearty approval insofar as it sets forth the basic provisions for an adequate program of low-cost public housing and slum clearance. This bill is not a veterans' bill in the sense that that term is usually interpreted, but for the American Veterans' Committee it is a veterans' bill in the truest sense of the word. By providing decent housing at rentals which our Nation's low-income families can afford it creates the kind of healthy society in which democracy can flourish. That kind of society is what we, as members of our armed services, fought for during the war; we are still fighting for it today as veterans.

To continue the roll call, we find the American Veterans of World War II, popularly known as the AMVETS, calling for favorable action by this Congress on slum clearance and public low-rent housing. Frank D. Scriven, co-chairman of the AMVETS national housing committee, directed attention to the bipartisan support for this kind of legislation in these words:

There seems to be a general acceptance on the part of both the Democrats and Republicans of the necessity of furnishing the Nation with the public-housing and slum-clearance legislation. \* \* \* The AMVETS convention mandate regarding low-rent housing reads: "That we urge Congress to provide 125,000 low-rent housing units, better known as public housing units, in each year for a period of 4 years.

As we pass along the file of veterans, we find still another great veterans' group looking to us to pass the pending legislation. This time it is the Catholic War Veterans, asking for an end to the years of fruitless debate on this subject and passage of H. R. 4009.

To this roster must be added the Paralyzed War Veterans of America, a group of brave Americans whose war wounds keep them confined to wheel chairs for the rest of their lives. They, too, are advocates of this legislation, asking that part of the housing this bill would provide be adapted for occupancy by veterans who have lost the use of their limbs.

The unanimity of veterans on the subject of this legislation is truly impressive. They stand united, shoulder to shoulder, as they stood when they answered the Nation's call to arms.

Will we listen to the veterans today? Will we heed the entreaties of those who were willing to offer their lives for us? Or will we heed instead those who boast of their power to stop such progressive legislation.

The choice is soon to be ours. The veterans will be waiting for our answer.

I urge my colleagues to support this legislation.

(Mr. PRICE asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman and my colleagues, deep-seated, long-rooted prejudice generally allows no room for reason. Manifestly, in this debate so far there have been many expressions which clearly show preconceived opinions, deep-seated prejudice, and long-established opinions which leave no room for reasoning together on such a bill as this.

For instance, when so many Members on the Republican side of the aisle emphatically declare that all the proposals in this bill are sounded in socialism, they, of course, inferentially at least, thus publicly declare that all the Members of the United States Senate—both Republicans and Democrats—who voted for public housing a few days ago are Socialists in their attitudes toward their responsibilities to the American people. How else would you, my colleagues, define a category of conduct for your Republican colleagues in the United States Senate who a few days ago voted for public housing such as we have before us today? Would all these Republican Members of the United States Senate have voted "aye" for public housing just a few days ago if they had not been Socialists?

Manifestly, the very ridiculousness of my question makes the argument against this bill by Republican Members of this House, on the grounds that it is socialism, more ridiculous and unreasoning than could be possibly imagined in such a house of debate as this is challenged to be.

Yesterday the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], in his prepared speech, which he so ably read, in opposition to this bill stressed the premise that the outlook of this bill before us today would result in socialism. Well, the gentleman from Massachusetts [Mr. MARTIN], the Republican leader in this House and Senator TAFT, the Republican leader in the United States Senate, evidently strenuously differ. For Senator TAFT not only voted for the public-housing bill in the Senate—he was an author and sponsor and active source of support for public housing the other day in the Senate.

May I ask my Republican colleagues a few questions about socialism in the sense in which they apparently used it in discussing this bill. Was Abraham Lincoln a Socialist when he signed the bill enacted by the United States Congress which gave to the Union Pacific Railroad thousands upon thousands of sections of good, fertile soil in order to make it possible for the Union Pacific Railroad to build its line to the golden State of California from the east? Was it socialism for the Congress in Lincoln's time to enact legislation to aid private enterprise in the worthy concept of building this railroad from the East to the West. Manifestly, private capital could

not and would not then undertake the building of such a railroad at such tremendous cost. Did that destroy private initiative in the field of railroad building in the United States? Or did it encourage it? Was it socialism when the United States Government, through President Franklin Delano Roosevelt, declared a bank holiday and thus saved the private investments and deposits in the banks of the Nation? Was it socialism when the Securities and Exchange Commission was created for the protection of purchasers of securities in the United States against the corruption and dishonesty of a few greedy men in our Nation? Was it socialism when the taxpayers of the United States pledged their credit to guarantee bank deposits in Federal banks? Was it socialism when the taxpayers of the United States, through congressional action, guaranteed the deposits in Federal building and loan associations?

Of course it was not, nor is it. And these years of experience have proven, beyond a doubt, that the entrance of the credit and protection of the credit of the United States in these fields, as well as others, has been a boon to the mental attitude of all the people of the Nation and has proved a strengthening factor to the banks and lending agencies doing business as private enterprise.

I wish to direct most of my remaining remarks to the portion of the bill which relates to slum clearance and construction of decent housing for those low-income families who are compelled to live in such areas on account of their low income. I call your attention to the fact that a recent article in the Atlantic monthly presented some facts which show that, far from wasting money, every dollar the Government spends for slum clearance and public housing actually saves us money. For instance, it is pointed out that one-fifth of our country's housing is presently in slum areas and that these same slum areas provide homes, at this very hour, for about one-third of our total population in the United States. Therefore, what affects one-third of our total population definitely affects all three-thirds or the total of our population. The health, the morality, the mentality, the home conditions under which one-third of our people, men, women and children, are compelled to live, determines the destiny of how the other two-thirds of our people will be able to live in the near future, for, out of this one-third of our population which presently lives in slum areas, will come millions of underfed, underschooled, ill-healed, delinquent, dependent children from broken homes, from immoral and unmoral conditions.

The same Atlantic monthly points out that present slum housing in the United States yields only 6 percent of the total real-estate-tax revenues, upon which most towns and most American cities are compelled to rely for the bulk of their operating funds. In other words, gentlemen, one-fifth of the housing in the United States at the present time pays only one-sixteenth of the real-estate taxes in the cities of the United States. Is this good business? Is this sensible revenue methods for our cities?



No wonder private capital has never adequately occupied the field of low-income housing in our cities. And yet, at the present time, most of our slum areas in most of our American cities have been built with private funds.

And, in return for this 6 percent of the real-estate-tax revenue to our American cities from slum-housing areas at present, the Atlantic monthly states that slum areas in every American city require an average of more than half of the available medical and institutional care; half of the time of the police; one-third of the time of the fire departments; and most of the welfare benefits paid for by the cities, or through the city agencies, by the taxpayers of the county in which the city is situated, or by the State. Think of it.

I call it Americanism to be concerned about such a condition as this, and the lack of being concerned about it, is not in keeping with our American way of life. Our very self-interest in one-third of our population should determine that we will not tolerate the condition to longer exist which predestines that more than 50 percent of medical and institutional care and half of the police time of our Nation and most of the welfare benefits is going to those who are compelled to live in slum housing on account of low income.

And how low is their income do you say? It is established that 20 percent of our city families earn less than the sum of \$1,500 per year. And there you have it. Instantly I give you that figure, your mental reaction is, I know, to ask ourselves this question: How in God's name do they live on that low income? But, Mr. Chairman and colleagues, the cold fact is that they are compelled to live under unbearable, unhealthy, disgusting, and disgraceful conditions because they are earning less than \$1,500 a year. How would you like to have your wife and children live on \$1,500 a year?—yet you and I can do something about making it unnecessary for these millions of American men and women and growing children to live in "hellholes" which we designate for the purpose of this debate as "slum housing."

Let us take a look at what these governmental costs mean in dollars and cents to take care of the one-third of the people of our Nation who live in slum housing. For instance, the United States Census Bureau informs us that annually our 397 cities in America of more than 25,000 population expend over \$220,000,000 for health and hospitalization; over \$335,000,000 for police protection and control; \$215,000,000 for fire departments; \$272,000,000 for public welfare. Nor does this \$272,000,000 for public welfare include the millions and millions of dollars raised and expended by the community chests and similar welfare agencies in our Nation. Therefore, it is fair to adjudge that about \$614,000,000 may be considered as an annual cost of continuing our slum housing. It likewise means, in the ultimate, that we are actually not saving \$400,000,000 annually by continuing to ignore our slum problem and by continuing to do our duty as fellow Americans to release these mil-

lions of our neighbors to a decent living condition from an unbearable living condition over which they have no control. In fact, we appear to be wasting approximately \$214,000,000—nor does this include the cost of the human and degrading misery of the millions of our fellow citizens who have to live in these degrading and destructive conditions in the American slums because no other low-cost housing is available.

And you, my colleagues, will be compelled to agree with me when I state that you and I know by past experience that private enterprise has not, cannot, and will not enter this field of low-cost housing. Private enterprise is naturally and normally concerned with making monetary profit. I do not criticize private enterprise for not risking its invested capital in this slum clearance and slum construction. But private American enterprise is injuring itself and risking economic insecurity for its other investments by reason of helping to force one-third of the people in American cities, with their children, to continue to live in slum areas.

I do hope that every Member of this great deliberative body will find time to read the total text of H. R. 4009. It is not compulsory; it does not compel any borrower or any agency to borrow or to proceed. Whether or not any slum area is destroyed and removed and a new, low-income and decent place to live is constructed by or in any American city or community, is determined entirely by the governing body of that city or community. This bill merely makes it possible for American cities and communities to remove from their midst these open shores of juvenile delinquency and crime; these breeding grounds of physical disease and serious mental disorders; these schoolrooms of iniquity and storehouses for unpatriotic sentiments and communistic ideologies. Having been juvenile court officer of Los Angeles County, and having been the counselor for more than 100 delinquent and dependent boys at the George Junior Republic in California for more than 3 years, and having been president of the Recreation Commission in my home city of Long Beach, Calif., for about 15 years, I am at least as aware of the tragic liability of slums and the result of slum residence as are most of the Members of this House. Every place of residence in America where children are born and raised should be an asset instead of a liability. Only as our American homes are decent and have decent surroundings will the product from those homes be decent. Conditions beget attitudes and attitudes beget success or failure and children who are raised in slums cannot fairly or strongly be condemned for becoming problem children.

I have visited many slum areas, I have observed them, and one of the liabilities surrounding such areas is the lack of adequate playgrounds. I saw the shocking contrast between slum areas in New York and those slum areas which had been destroyed and in their places decent housing conditions made available to millions of fellow Americans. I saw the children happily at play in the decent

housing projects provided by the city and State of New York. And, in the reverse, I saw some of the "hellholes" and back alleys in which children were expected to grow up as decent, law-abiding citizens. I wonder that millions of American children grow into youth and manhood and become as decent citizens as they do. So, Mr. Chairman, I hope that, as these Federal moneys go to aid municipalities and governmental agencies in providing decent homes for millions of children, the municipalities take advantage of the moneys to provide adequate play areas and recreation facilities for the children and youth and adults, too. Play is not only natural to a child—it is an absolute necessity to a child's mental, spiritual, and physical development. As the child plays, so he grows into manhood or womanhood. A family which has no chance to play together will seldom live together happily or with decent objectives or strong motives. A family which has no opportunity to recreate, in the highest sense of the word, will not contribute much of anything to the sinews of our American way of life. These are truths I believe to be self-evident.

Another term for a slum area is a blighted area. And title 1 of this bill merely makes it possible for there to be two types of assistance as set forth by the committee report on pages 36 and 37:

1. Loans \* \* \* at an interest rate designed to return to the Government the cost to it of the funds it obtains to make the loans;

2. Capital-grant subsidy \* \* \* to enable the land in the project areas to be made available for use at prices consistent with proper and sound land use and planning;

Mr. Chairman, I am willing to go forward all together or not at all to permanent economic security and social decency. The cities and the agriculture areas are interdependent for they are economically dependent on each other. We in California are having approximately 40,000 people a month enter our State borders from other States. We have cause to comprehend that folks who come from other slum areas in other American cities will, likewise, be compelled to live in slum areas in California. We already have too many slums in California. We are doing something about it; not enough, however.

It is certainly not socialism for the taxpayers of the United States to subsidize the cotton crop or the peanut crop so the agricultural portion of our Nation which grows these essential crops will have economic stability. Certainly none of my colleagues from States concerned with agricultural crops would hold that Government aid for these growing crops is socialistic. And it is certainly not less important that we subsidize living conditions for one-third of the population of our Nation who are not able to presently earn enough to live under conditions which will be assets instead of liabilities to our Nation. Agriculture must be stabilized; living conditions must be stabilized. As one is essential, so is the other. Both are necessities. Neither is socialism. Both are common sense, both are sound. It would be tragic lack of Americanism to further condemn



millions of children to continue to grow up into American manhood and womanhood in surroundings which virtually condemn these millions to have attitudes toward America which are liabilities instead of attitudes of sound Americanism. The American way of life; the private enterprise system; these are not strengthened in the minds of the millions of Americans who are presently living in slum areas. As they are blighted areas, so the minds and the bodies and the souls of these millions of Americans are blighted by the conditions under which they are presently compelled to live.

(Mr. DOYLE asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield 13 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I believe it was William Howard Taft who once said: "Never argue against prejudice." I wish, however, to reply for 1 minute to the gentleman from Texas who cries out against the people who are against this bill. And he is the chairman of the Small Business Committee. I should like to point out that probably from 85 to 90 percent of the millions of men who make up small business in this country are opposed to this legislation.

Within a few days figures from the Treasury Department are expected to show Federal revenues for the close of this fiscal year will be short by \$1,500,000,000 of covering expenditures. If you vote for this Federal housing bill, you are unlocking the flood gates of additional governmental expense and deficit financing that will further threaten the financial solvency of the Nation.

If this country is saved from such a disastrous result, I am convinced that it must be done by the Members of the House of Representatives who are the closest to the people, as was provided in the Constitution to meet just such an emergency as confronts the Congress and the people today. If the Members of the House of Representatives faces up to its responsibility and defeats this bill it will justify the faith of the founding fathers of this Government, and will receive the plaudits of the thinking people of America. This is the most important legislation that will likely face this session of Congress. We stand at the crossroads which leads to the continuance of free enterprise, or statism for the future. You must decide today which road we shall take.

Mr. Chairman, it is extremely unfortunate to the Nation that this bill is even being considered by the Congress. If this bill is passed it will add a financial burden, even in its reduced form, of probably over \$10,000,000,000 to the debt load of this Government. This at a time when we are in a recession which has largely been brought about because of our immense public debt, and because the President has continued to insist that we increase taxes to meet a \$42,000,000,000 cost of Government budget.

When you send the news out to the Nation from us who are supposed to intelligently help to direct the affairs of Government, that this Congress in this

one bill has increased the debt load for the future by this enormous amount, you will increase the fear of those who are capable of investing their money in the building of homes throughout the Nation. It will have a tendency to further destroy the confidence of the thinking people of America in the Congress of the United States and this administration to the point where it will contract private investment and reduce the amount of risk capital that otherwise would go into business expansion.

There are over 4,000,000 unemployed now. The result of this legislation and the fear it will bring to the investors of capital I have referred to, will most likely help to add greatly to the unemployment rolls, to the great hardship of the laboring people of America, because no building under this legislation is contemplated in the near future.

It will cause private investors to refuse to build apartment buildings and homes because of the deadly menace facing them of the Government going into the housing business in competition with private industry.

Mr. Chairman, over a year ago 20 homes were builded in my county to sell at a little over \$8,000 by the Marion County Housing Authority under the national housing program. When those buildings were ready for occupancy, and the chamber of commerce who backed the authority, widely advertised the opening of these homes for sale, they were not able to sell a single one of these units within the 3 months they were widely advertised before I left Salem to come here for the opening of the Eighty-first Congress.

Now I want to read into the RECORD a letter from one of the businessmen who was induced to become a member of that housing authority in my county along with other businessmen in the hope of helping to provide homes for the people under such authority. I think you will be interested in what this businessman has to say, which is the same story, in fact, that was told to me by others who helped without any hope of any financial gain to provide this housing:

CENTRALIA, ILL., May 27, 1949.

HON. CHARLES W. VURSELL,  
Congress of the United States,  
Washington, D. C.

DEAR SIR: I have just been reminded that the national housing program bill is up before the House and Senate for action. You may know that I am on the board of the Marion County Housing Authority under the State set-up. I intended to resign at the end of my term last year, but upon insistence of some of the other board members stayed on. I finally decided to stay on if for no other reason than I have no irons to heat and would stay on to see that the best possible efficiency could be maintained in the interest of the public funds.

Actually, I have decided that no Government agency can compete with private enterprise in a deal of this kind, whether it be power production, housing, or otherwise. It just is not in the cards. We have had bungling on the part of the State board and the red tape has cost us endless expense that would not have been necessary under the private system.

For example: They first gave us the go sign but we could not even buy a tract of ground without their approval, the house plans had to be approved by the State, the architect had to be approved by the State,

the bookkeeping system had to be approved by the State, payments to the contractor had to be approved by the State even after they had approved the contract setting forth the system of payment, on and on to the point where I told them to just write the clerks from Chicago if they were going to run it. This is the type of thing that Government agencies create and it would be no better in the Federal Government.

The more of bureaucracy I see, the more necessary I feel it is to maintain private enterprise. I hope you will continue to oppose unnecessary appropriations and to help trim Government expense wherever possible. Private enterprise made this country great and the "isms" ruined every country which they have invaded."

Sincerely,

DWIGHT FRIEDRICH.

Mr. Chairman, the great majority of the mail most of the Congressmen get, if it is likely my mail, continues to ask you to reduce spending and to reduce the cost of government. The gentleman from Kentucky and others will say that there is a great cry on the part of the people to enact this legislation. May I say to you that I represent 350,000 people from the Twenty-fourth District in Illinois, and that I have not to date received a single letter or telegram of any kind urging me to support this bill. Every letter or telegram I have received with reference to this legislation has urged me to vote against it, and has urged me to exert my efforts to help to cut the expense of Government because of the present tremendous tax load.

The National Housing Authority and bureaucratic organizations of Government, and the great Government propaganda machine paid for at the expense of the people, are the real lobbyists in support of this bill, along with the left-wingers, the politicians, and, of course, the Socialist and Communist Parties.

Let me point out that in this housing proposal we have finally caught up, even though 10 years late, with the Communist Party in its fight for public housing at the expense of the people. They had such a plank in their platform in 1928, and in 1948 they asked for the Government building of 1,000,000 low-rental housing units. This administration topped them in H. R. 4009 by calling for 1,050,000 units.

I am opposed to this legislation because it is political housing. Were it not for the political aspects of this housing bill, it would not be before this Congress. Were it not tied up with the political possibilities and the political influence, such legislation may have on the masses, who are promised rentals at half price at the expense of the public, this bill would not get a hundred votes in this House.

I oppose it because it is, in fact, using the power of the Federal Government to destroy the great building industry of private enterprise. When the Government destroys a private enterprise, then the Government takes over its functions and that is socialism. This will mean that the Government will socialize the building of homes as it did in France.

I am opposed to this bill because it will take money, through excise taxes and otherwise, from the really poor, like those living on small annuities and old age assistance, who will not be permitted



as occupants in these low-rental buildings.

I am opposed to this legislation because out of the 3,000,000 families a special group of 1,050,000 families would get the benefit of these low rentals, while 2,200,000 families in this same category would have to pay additional taxes for the favored few.

If this bill is passed, it would be only justice to the 5,000,000 families in the other low-income groups to extend this legislation next year to provide them with equal rental opportunities, and that would cost far beyond \$100,000,000,000.

If we pass this legislation, there will most likely be a bill presented to the Congress next year by these same planners to take care of this group.

I am opposed to this legislation because it will rob the men and women of their cherished ambition to work and save to build and own their own homes. This legislation strikes another destructive blow at the moral fiber of the American people.

I am against it because it will mean less homes at greater cost, rather than more homes.

Mr. Chairman, this housing bill in section 2, in its declaration of policy, in its first paragraph, holds out a false and impossible promise to the American people when it promises: "the realization, as soon as feasible, of the goal of a decent home and a suitable living environment for every American family." What a false, dangerous and deceptive hope to hold out to the people.

Everyone knows that the attainment of that goal, physically and financially, is impossible. It is a utopian, deceptive, political statement. It has never been the policies of the founders of our Government to make such a guaranty to our people. Such guaranties could not be kept, if made, and every sensible person knows it.

The American people who are worth their salt, and most of them are and will remain so, unless their moral fabric is further destroyed by the Federal Government promising them everything; still have enough pride that they want to build their own homes like the pioneers who builded their early homes and at times log cabins along the rivers in the early days of this country. And who by their own efforts conquered the plains and builded the greatest Nation in the history of the world. If their pride and character had been weakened by such legislation as this, they would not have succeeded.

If you take away this incentive, as this bill attempts to do, you will strike a terrific blow at the greatest heritage and wealth this Nation has today—that is the ambition, character, independence, morals, and pride of the American people.

In every State, including California, that has had a vote on low-rent Federal housing, the people have defeated it overwhelmingly. If this bill is defeated, private building will soon close the gap between supply and demand. If this bill is passed, it will slow down the

building of homes and apartment units by private interests in the future.

There is no demand worthy of consideration by the people for building rental homes by the Government. Polls taken widely throughout the Nation in various newspapers on the subject of low rental housing built by the Federal Government have run on an average of about five to one against this proposition.

If this Congress passes this legislation, it will lower the confidence of the people of the Nation in the Members of this body.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. YATES. Mr. Chairman, with respect to the remarks of the gentleman from Illinois [Mr. VORSELL], who has just completed his statement, let me point out that I, too, am from the State of Illinois. The gentleman represents a district, primarily rural, in the southern portion of the State, while I represent a district in the heart of the city of Chicago.

The gentleman has consistently stated throughout his statement that thinking people are opposed to the public housing bill, H. R. 4009, and that its passage would be acceptance of statism or socialism. I hold here in my hand a document which is entitled "Manifesto on Housing." It has been issued by the Church Federation of Greater Chicago, consisting of more than 1,200 Protestant churches, and will be read in churches throughout the city of Chicago next Sunday, June 26. Other denominations have joined with the Protestant churches and will also join in the appeal for adequate housing. The statement of this federation is as follows:

#### MANIFESTO ON HOUSING

(To be read in churches on Housing Now Sunday, June 26, 1949)

This manifesto has been developed by a special Housing Now Committee of the Church Federation of Greater Chicago, and has been approved by a group of prominent Chicago ministers. All citizens, regardless of creed, race, or nationality, are urged to join in subscribing to this statement and to respond to its appeal.

The housing shortage is one of the critical problems that Chicago now faces!

There are one hundred thousand more families in the city of Chicago than there are dwelling units; and another 150,000 dwelling units are unfit for decent human habitation. The present rate of construction, including all city plans for private and public building is not replacing the housing annually being destroyed by fire, demolition for highways, and depreciation.

This is an economic crisis which has ominous implications for the future. But of far greater importance is the moral and spiritual crisis to which lack of adequate housing is contributing in tens of thousands of Chicago families. It is safe to say that in each of our churches there are families without adequate housing: broken homes, unfair treatment of the aged and children, and the decay of Christian homes is evident in each parish.

The churches, and all who call themselves Christians cannot escape a special responsibility for this civic problem. The Amster-

dam Assembly of the World Council of Churches stated that the churches, in humility and the spirit of repentance for their own sins, have an obligation to " . . . declare directly what they see to be the will of God for the public decisions of the hour (and) also to point to the main objectives toward which a particular society should move."

We urge the Christian people of Chicago and all other citizens regardless of denomination, creed, or political affiliation to repent of apathy and indifference toward this problem; and to pledge themselves to place the public welfare and basic religious values above every selfish consideration. Let there be a great upsurge of public support for an adequate and balanced housing program which will meet the need of all income groups, without regard to race, creed, or national origin. The need is urgent and action should be taken now.

We urge the governor, the mayor, the city council, and other public officials, and private business interests to give aggressive leadership immediately in the formulation and execution of an adequate housing program such as has been passed by the United States Senate and is now before the House of Representatives, and thus insure the future economic, moral, and spiritual security of our great metropolitan community.

George A. Fowler, Chairman, President, Church Federation of Greater Chicago; John W. Harms, Executive Vice President, Church Federation; Mitchell T. Anchor, United Church of Hyde Park; Bert H. Boerner, University of Chicago Settlement; Armond Guerrero, Mayfair Methodist Church; J. H. Jackson, Olivet Baptist Church; Harold Linger, Austin Boulevard Christian Church; William L. Rest, Immanuel Evangelical and Reformed Church; F. Adrian Robson, Chicago Congregational Union; Dudley S. Stark, St. Chrysostoms Protestant Episcopal Church; Theodore V. L. Harvey, Englewood Baptist Church; Robert Stanger, Bethany Evangelical and Reformed Church; Elmer L. Shirrell, Chairman, Department of Citizenship, The Church Federation; Roland W. Schloerb, Hyde Park Baptist Church; Alva Tompkins, Olivet Presbyterian Church; Philip G. Van Zandt, Logan Square Baptist Church.

Are the leaders of 1,200 Protestant churches Socialists? Can the gentleman state they are not thinking people? How utterly absurd is the gentleman's argument.

It was charged yesterday by the minority leader, the gentleman from Massachusetts [Mr. MARTIN], and the gentleman from Illinois [Mr. ALLEN] that all of private enterprise is opposed to this legislation. This is certainly not true in my community, and I doubt that it is true in many other areas. Two years ago the city of Chicago overwhelmingly approved a \$30,000,000 public-housing and slum-clearance program, and such groups as the Chicago Association of Commerce and Industry, many leading real-estate firms and contractors not only supported the program but actively pressed for its approval. The program which the city endorsed is basically similar to H. R. 4009. And yet, although the city has made a start, it cannot make further progress because of the limitations of its own resources and the inability of its citizens to obtain amendments to the State constitution which would



permit adequate financing of a housing program, as was done in the city of New York.

Yes; Chicago has made a start, but only a start. For those who doubt the necessity of this bill, let me point out certain facts relating to public housing in Chicago.

First. Public housing in Chicago has built 7,680 permanent type dwelling units in 10 large community housing developments.

Second. Chicago's public housing developments have provided homes for the lowest income families. More than 12,000 low-income families, including veterans and low-income war workers have lived at one time or another in these projects. At the time they moved in these families had the lowest incomes of any group of families in large northern cities where wage rates and economic conditions are generally higher than in rural areas. In 1940-42 the income of families moving in averaged only \$850 a year, about \$17 a week;

Today, incomes of families moving in average \$1,600 a year or about \$35 a week when half of Chicago's families earn more than \$75 a week, and one-fifth earn less than \$40 a week.

No family has been too poor to get in. Those earning as little as \$400 or \$500 a year are accepted as tenants. Half of those now moving in are recipients of public welfare, aid to dependent children or are receiving GI allotments. 20 percent of all tenants are in this group.

Third. Chicago's public housing program is indispensable to slum clearance. Existing federally aided projects have cleared and replaced some 120 acres of slums. All families moving in must come from slum homes, and there would be 7,680 more families living in Chicago's slums today if the present projects did not exist.

All of the leading business and citizens' groups of Chicago interested in slum clearance have recognized that public housing must first be built to rehouse those who will be displaced by slum clearance.

Fourth. Chicago's public-housing developments have been built at economical costs. The Ida B. Wells Homes, a 1,662-unit combination multi-story-row house development, comprising 125 buildings on 47 acres of land, completed in 1941 cost only \$5,069 per unit or \$1,187 per room including land, all fees, and overhead expenses. Today, when building costs have soared, the Chicago Housing Authority is currently building multi-story elevator type apartment projects at \$2,200 per room.

Fifth. More than 10 years' operation of the program in Chicago has produced low rents to tenants and very little cost to the Federal Government or taxpayers. Rents are graded to tenants' incomes enabling lowest income families to pay only \$15 a month while those able to afford more pay higher rates. Average rental return plus low operating costs and low financing costs on funds borrowed to pay the initial cost of building the projects has resulted in practically no cost to Federal Government. For example, on federally aided projects under

its contracts the Chicago Housing Authority may obtain up to about \$180 to \$210 a year per family in Federal subsidies. However, actual Federal subsidies required have amounted to only about \$5 per family per year.

Funds obtained to pay initial cost of building projects are being repaid. Most of the projects have been built with funds borrowed from private sources and these borrowings are being repaid at an unexpected rate—the Ida B. Wells Homes originally required a borrowing of nearly nine millions has had \$913,000 or more than 10 percent retired in 8 years' operation. On three projects financed with PWA grants of \$15,500,000, \$1,700,500, more than 10 percent has been returned to the Federal Government in form of rent payments in 10 years' operation.

While real-estate taxes are waived to assist in obtaining low rents, more than \$1,000,000 has been paid to local taxing bodies in service charge payments distributed in the same manner as taxes, and in all cases payments are exceeding former taxes assessed on same properties before they were public housing. Hence no revenue has been lost to taxing bodies through this method.

Sixth. Chicago's public housing program is showing benefits in building better, more prosperous citizens, developing new home owners, and reducing costs of fire, disease, and delinquency to the general community. Lifting families out of the slums has resulted in higher morale, more industry, and ambition and higher earning power by many of the families, resulting in a number of tenants who, though poor when they moved in, increase their incomes to the point where they are no longer eligible for public housing. Normally, these families have been evicted from the projects. Since the start of the program, more than 1,200 over-income families have moved from the Chicago projects. Of these, more than 300 have purchased their own homes.

Fire rate has been reduced drastically and of those few which do occur damage is slight—no permanent type dwelling has been destroyed by fire—one-third the number of fire calls per year per public housing compared with sites before cleared. Death rate from tuberculosis among Negro tenants of public housing has been reduced to less than one-half for Negroes living in Chicago's slums. Unexcused absences from school among children from public housing is less than from surrounding slum areas. Other cities report similar types of benefits in lower disease, death, delinquency, garbage collection costs of public housing as compared with slums.

Seventh. H. R. 4009 is vitally necessary if Chicago is going to make real headway in its housing and redevelopment problems. The increase in city's population, together with marriage and birth rates which continue at high level, in addition to families already doubled up, constitute a need for at least 200,000 additional dwellings to the city's present housing supply. This need is greatest among the middle- and lowest-income groups, less among those able to afford

high purchase prices or rents. Of the thousands of veterans seeking homes and apartments as well as thousands facing displacement by slum clearance, most can afford to pay between \$40 and \$60 a month, about one-fourth less than \$40 (the public-housing market), and very few over \$60 or \$80.

Private construction has added an average of only about 6,000 dwellings a year to the city's housing supply in the last 3 years. More than 80 percent of these have been single-family homes for sale at prices of \$12,000 or more, practically all of the few rental units cost more than \$80 a month.

In addition, present public and private slum clearance, superhighway, medical, and other redevelopment projects will displace an estimated 22,000 additional families. Relocation housing now under way with city and State funds will provide but from 2,000 to perhaps 2,200 units for low-income portions of those displaced.

The Chicago Housing Authority already has a backlog of some 25,000 or more applications on hand; many represent families who have been waiting 4 or 5 years or longer, and is receiving additional requests for help in obtaining housing at the rate of 3,000 to 4,000 per month. Temporary dwellings for veterans' families are nearing the end of their life. Trailers are in such uninhabitable shape that they will have to be taken out of use within the year. This means a shrinkage in the supply of housing by one or two thousand units within the next year or two.

There has been so much fear expressed upon this floor about what the public-housing bill would do to our country that I am reminded of the remark that was made by Mr. Justice McReynolds approximately 15 years ago when he stated in a decision of the Supreme Court, "The Constitution is dead." Mr. Justice McReynolds was entirely wrong. The Constitution since that statement, has proven itself to be a dynamic, living instrument, flexible enough to assure the operation of this Government as an instrument by the people and for the people. The public-housing bill, perhaps more than any other piece of legislation, will rescue millions of our citizens who are now doomed to despair in the slums of this Nation, from continuing to exist as they have lived in the past. It offers an opportunity for them to live decently and gives hope that their Government does in fact recognize their plight.

I understand that an amendment will be offered which will reduce the amount of housing from 1,050,000 units to be constructed over a period of 7 years, to 810,000 units to be constructed over a period of 6 years. I would have preferred the provision as it now exists rather than the amendment, but in view of the fact that the assertion has been made that the Senate is committed to the lower number and under no circumstances will recede, I shall support the compromise in order that we may be assured of passage of this bill.

I certainly urge passage of H. R. 4009 by a large majority.



Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, today, when H. R. 4009 comes before the House for consideration and debate, I intend to carry out my pledge made during the campaign in the fall of 1948 when I sought election to Congress, that I would support legislation for slum clearance and low-cost housing.

All during that campaign, I made my position very clear and since I assumed my duties as Congressman from the Forty-third District of New York, I have on several occasions reiterated that pledge.

When members of the real-estate lobby called at my office a few weeks ago, I minced no words and told them very frankly that I was going to support H. R. 4009 because there is a dire need for public housing and slum clearance and that the citizens in the low-income brackets of the richest country in the world were entitled to decent homes in which to live.

It is my opinion that private industry has failed to provide homes within the reach of families in the low-income group and, when private capital fails, then I maintain it is the duty of our American Government to see to it that our citizens are adequately housed.

The real-estate lobby has raised the cry that the cost will be tremendous and too heavy for the taxpayer to bear and that this legislation is "socialistic." The real-estate lobbyists have distorted the figures to serve their own purposes and needs in an attempt to defeat this legislation and to stir up the people against it.

Now, let us see what the real cost per unit is going to be. The real-estate lobbyists, for their convenience, have purposely distorted these figures by taking the maximum figure of \$2,500, multiplied it by five rooms and added \$2,500 for land and utilities in order to arrive at their claim that all units built will cost over \$15,000. Even at the high cost of construction today, and costs are dropping, very few housing projects, if any, even in the highest-cost areas, will require an expenditure of this amount per unit. This figure over most of the Nation is utterly absurd.

Early this year a group of representative builders who built housing projects under the 1937 act were asked to submit figures as to what the current cost of duplicating these projects would be. Their replies ranged from less than \$1,250 per room to \$2,250 per room, and two-thirds of this group were below \$1,750 per room.

The true facts are that the amended H. R. 4009 calls for the construction of 810,000 dwelling units at an average cost of \$8,465. The language of the bill is plain and requires the utmost economy and simplicity in the standards of construction and consistent with providing durable and decent homes.

The construction costs will naturally vary in the different parts of the country and the bill provides for a normal ceiling of \$1,750 per room. This amount will be sufficient to meet the costs in most parts

of the country but in order to meet the high costs in some parts of the country the bill provides maximum cost per room of up to \$2,500.

In his message to the National Housing Conference, Senator TOBEX, of New Hampshire, a Republican, had this to say regarding cost:

Since this bill has been under study and discussion, going back 4 years ago, I have heard a lot about costs. We have been told that this bill may cost from \$13,000,000,000 to \$16,000,000,000 over a period of 40 years. That is nearly as much in 40 years as we are contemplating spending on military needs in 1 year today. The latter we must spend to protect our freedom to have homes and to enjoy them. The former is designed to provide homes that we can enjoy and that are worth such a defense.

As you move ahead with this program, you must think about these costs, but you must think also about your mission of eliminating the slums that drain off the revenues of the citizens and that create untold losses in human resources. I have heard of the high costs and rates of crime and disease that mark the slum areas of our cities from coast to coast.

I have heard that the slums are costing the city of Newark \$14,000,000 annually. I have heard that in Atlanta, Ga., slum areas contributed 5½ percent of that city's property but cost 54 percent of its police, fire, health, and other service costs. I have heard that in Cleveland the per capita deficit of a slum area was \$51.10—at prewar prices. I have heard that in St. Louis tax delinquents ranged from 25 to 40 percent in slum areas, compared to 2 to 5 percent in newer districts.

I have heard that in Chicago a slum area of less than 3 square miles, chiefly because of bad housing, accounted for 21 percent of Chicago's murders, 12.3 percent of its robberies, 24.9 percent of its rape offenses in the years 1943, 1944, and 1945.

With regard to the real-estate lobby's contention that this is socialism and statism, this type of propaganda is completely false and far removed from the truth.

Let us see just how socialistic public housing really is. Are any of these—Federal aid to agriculture, the construction of highways, reclamation and flood control, the construction of power dams to supply various sections of the country with cheap power, rural electrification, Federal insurance of small bank depositors, social security and old-age assistance, and many other numerous types of Federal aid—are these socialistic?

If the real estate lobbyists and others do not consider the above-mentioned types of Federal aid socialistic, how can they consider H. R. 4009 to provide for slum clearance and low-cost housing to be socialistic? They certainly are not consistent and will not fool the people with misleading propaganda.

On the Senate side, the Republican leader ROBERT A. TAFT, last year one of the candidates for President, is one of the chief sponsors of S. 1070 which calls for a similar program provided for in the House bill. Is Senator TAFT a Socialist? In my opinion, he is one of the most reactionary men in the Congress and certainly he would not want to be tinged with socialism in any form. Are the 24 Republican Members of the United States Senate who voted for the Senate bill Socialists?

Last year, the Republican platform contained a plank calling for slum clear-

ance and low-cost housing and Mr. Dewey advocated such a law. I am sure he cannot be accused of being socialistic.

Under H. R. 4009, the Federal Government would not be given the power to dictate to any State or local municipality. The decision with regard to whether or not any community desires to participate in the public housing program rests solely with that community. Surely this shows without any doubt that the Federal Government is not trying to interfere in or control local housing problems or to force anything on local municipalities.

Participation by communities in either the slum-clearance program or the low-rent public-housing program would be entirely at the option and initiative of local governments. Projects would be locally planned and locally executed. The role of the Federal Government would be restricted to the provision of financial assistance, the furnishing of technical aid and advice, and the administration of statutory requirements to assure that the intent and standards of the law are faithfully observed.

Neither is there anything in the bill that would threaten or undermine the position of private enterprise in housing. On the contrary, there is much that would strengthen it. The declaration of national housing policy stipulates that private-housing enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance should be utilized to the extent feasible to enable private enterprise to serve more of the total need. The slum-clearance title requires that the plans for redevelopment of slums or blighted areas afford maximum opportunity for participation by private enterprise. The public-housing title requires a gap of at least 20 percent between the upper-rental income limits for admission to public housing and the lowest rents at which private housing is providing an adequate supply of decent housing, new or old, for rent or sale in the locality involved, thus assuring no competition between public housing and private enterprise. Under the farm-housing title, loans would be made only to those farmers who are unable to secure credit from other sources at terms within their paying ability. Finally, a primary objective of the Federal research program is to place the private-housing industry in much stronger position to serve a much broader market than today through improved methods and organization.

The powerful real-estate lobby did not oppose the Congress in appropriating billions of dollars to aid and rehabilitate war-stricken countries and a good percentage of this money will be used to build homes for these European people. This lobby was conspicuous by its absence and, as a matter of fact, they favored the appropriation of these moneys to be used for this purpose. They made no complaints about the tremendous cost to our taxpayers. Is it socialistic to spend the United States taxpayers' money to build homes for people in these European countries? Where does socialism begin and end?

It is my contention that if we can appropriate moneys to maintain and build



homes for people in foreign lands then I feel that we can spend money to build homes for our American citizens to whom we owe an obligation. I feel that we must think in terms of taking care of our people first and I am going to vote for H. R. 4009 notwithstanding the terrific pressure the local Buffalo real-estate lobby is trying to bring to bear on me. I am more determined to support it now because of the false propaganda this lobby has been using and because of their use of misleading figures in their arguments to the general public.

I am also going to support legislation to give our people adequate old-age pensions, to extend social-security benefits so as to cover a greater number of people, small-business men, the grocer, the butcher, the small-store operator, and others. It is my firm opinion that all this legislation is for the good of the economy of this country and the general welfare of the people. Private capital has failed to supply adequate housing to meet the needs of the country and therefore I feel that the Government should step in and fill that need.

(Mr. TAURIELLO asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I want to take this opportunity of recording my unqualified support of H. R. 4009, a bill which would help meet the need for low-rent housing in this country.

That such a need exists there is no question. For over 4 years now the Congress of the United States has been studying and investigating the facts of the housing shortage in the country. The facts are plain.

The delay in enacting this legislation has been paid for in the unhappiness and misery of the people living in the slums of this country, by the disillusionment of homeless veterans. With the substantial growth in population since 1940 the inadequacies in housing become more glaring.

In my district in eastern Massachusetts the need for slum clearance and low-rent housing has become aggravated with increasing unemployment.

Since I have been in Congress I have supported the passage of adequate housing legislation. I hope and I am confident that this House will enact into law this bill before us.

(Mr. KENNEDY asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mrs. WOODHOUSE].

(Mrs. WOODHOUSE asked and was given permission to revise and extend her remarks.)

Mrs. WOODHOUSE. Mr. Chairman, the arguments against this bill fall into 4 groups:

First. It is not needed. The housing shortage is disappearing, or, less strongly put, it can be met by private business and rehabilitation of deteriorated housing.

Second. It will permit undue interference by the Federal Government in local affairs.

Third. It will cost more than the Federal Government can afford and will also be an unreasonable expense to local governments.

Fourth. It will provide housing for only a small percentage of the people who need decent housing and therefore is unfair. Moreover, it will injure the morale of the few who can find a place in the public housing projects and is "socialistic" and/or "communitistic."

Facts prove each of these four types of arguments against the bill to be fallacious.

First. There is still a definite shortage of decent sanitary, low-rent housing. The market for houses in the \$10,000 and over class is drying up. But in lower-cost housing there is still overcrowding, still doubling up, still occupancy of dwellings quite unfit for habitation.

A bureau of the Census survey in April 1947 showed some 6,100,000 nonfarm homes which do not meet the generally accepted minimum standards of adequate housing and 1,400,000 farm houses in need of major repairs besides many others which lacked even running water.

The same survey found overcrowding (more than 1.5 persons per room) in 6.17 percent of all dwellings, 9.9 percent of rural nonfarm dwellings, 7.8 percent of farm dwellings and 4.4 percent of urban dwellings.

Figures for new buildings clearly indicate the situation has not been met. In my own small State of Connecticut, one of the richer States, there are still 37,000 families in slum houses, an estimated 22,000 families doubled up with relations or friends. Last year there was a net gain of 10,000 new families. The Dodge report showed 7,084 homes started by private builders and since December, 1948, home building has dropped off steadily. Thus the new building did not even care for the new families let alone care for the backlog of need.

In New York City on Monday the papers reported 32,000 persons making application for 2,140 units in two new projects of the New York City Housing Authority to be open in September.

New building has not met the needs of low-income families for decent housing.

Rehabilitation of deteriorated dwellings and enforcement of the municipal sanitary codes has been seized upon by opponents of public housing as the answer. One wonders why this program has not been undertaken more widely and why it was not undertaken long ago. The Baltimore plan is without question a real achievement, but the mayor of that city himself points out that it is a palliative and not a solution, and that while the houses have been improved, rents have gone up.

The public health authorities over the country have been interested in this plan for enforcing sanitary codes and compelling repairs but as Dr. Scheele, Surgeon General of the United States Public Health Service, says, "Although a considerable amount of substandard housing may be improved by alterations there

remain large sectors of housing so bad that it cannot be made healthful without wasteful and in the end ineffective expenditure for renovation."

The Baltimore Sun which largely initiated and vigorously backed the plan, in an editorial April 22, 1948, clearly stated:

The beautiful picture presented by the home builders should be toned down a bit \* \* \* it is neither providing much-needed minimum housing nor gradually ridding the city of its blighted areas. \* \* \* The slum clean-up campaign has brought about the replacement of windowpanes and plaster in some areas, improvement of sanitary conditions to some extent and compelled landlords and tenants alike to clean out rat-infested cellars and back yards. But the overcrowded substandard buildings remain exactly that. \* \* \* There was more juvenile delinquency in Baltimore last year than in the previous year. \* \* \* The number of new cases of tuberculosis, another byproduct of slum conditions, also increased last year. \* \* \* Housing law enforcement is not slum clearance and nothing will make it so.

Yesterday the gentleman from Massachusetts [Mr. MARTIN] pointed to what has been accomplished in Georgetown in the Nation's Capital. I grant you it has been a remarkable job of slum rehabilitation and also of slum family displacement but not of slum family rehousing. I have redone two Georgetown houses. Some of you Members have Georgetown sale prices and rents. They hardly seem to fit into a discussion of low-rent housing.

Second. The bill requires basic action by the local community before the Federal Government can take a single step. The local government, through its local housing authority must request Federal assistance, make its own plan for slum clearance and public housing, choose its own architect, send out invitations to private contractors to bid, select its own tenants and manage its own project. The Federal Government gives technical and financial assistance.

Private builders cannot afford to clear slums. The land is too expensive in comparison with open tracts which are available. But after the local authority has cleared the slum it must according to the bill afford maximum opportunity for private enterprise and may sell or lease the cleared area or undertake to erect public housing. The work is done by private contractors.

The entire proposed public housing program will care for less than 10 percent of the needed dwellings over the next decade. It will compete with slum housing. Its purpose is to get rid of slum housing. Since 19.7 percent of American families have incomes of less than \$2,000 and 30.3 percent less than \$2,500 the average rent including utilities must be under \$30. The average rent for substandard housing is \$28.50 per month. But with the requirement that there must be a gap of 20 percent between the upper rental limit for admission to public housing and the lowest rent at which private owners are providing an adequate supply, new or old, for sale or rent in the locality, only families who could not pay even the lowest private rents will be allowed to live in the public housing projects. Thus there is no com-



petition with decent private housing. There is an adequate supply of building materials and of labor.

The Federal Government will not interfere with the State or locality nor compete with private builders or landlords. After all, why such expression of anxiety? We have had public housing for over 10 years. There are 42 States and some 600 local communities with provision for accepting Federal aid and the mayors' conference and individual mayors are backing this bill. Projects under the 1937 act are in operation in 265 cities in 39 States with 170,100 units costing \$797,000,000. These are not only big cities which some say they fear will get all the forthcoming public housing. More than 70 percent are under 50,000 population and 100 of the cities are under 25,000. The Housing Administration states categorically that the same policy of considering applications from all States and from small as well as large cities will not be changed in any way.

Third. As to the cost, the oft-quoted figure of \$19,000,000,000 to \$20,000,000,000 was arrived at by adding loans—actually repayable—maximum grants, and maximum annual contributions and multiplying by 40 years, the maximum period for amortizing a project. The Bureau of the Budget figures the cost at \$10,000,000,000, possibly \$9,000,000,000. Under current financing the life of the loan will more likely be 29 or 33 years and not 40 years. Moreover, under the present program authorized by the United States Housing Act of 1937, the actual contributions paid by the Federal Government have amounted to only 58.5 percent of the amounts authorized.

In 1948 the New York City Housing Authority legally could have collected a maximum of over \$3,255,000 in subsidies from the Federal, State, and city governments. Actually it claimed only 41 percent of that amount.

Nor are construction costs of public housing high. The average cost for 1938-48 was \$4,685 per unit which compared very well with private building especially since most of the public housing projects were in cleared slum sites, had their own utility distribution systems and were of fireproof construction.

In the current bill the cost of \$2,500 per room so often quoted as the proposed cost is the top limit for notably high cost localities and not the cost which will be incurred in most projects. The Joint Committee on Housing found the operating cost in public housing projects compared favorably with the best results of private enterprise.

As to the tax loss to local communities, it is interesting to note that it is opponents of public housing and not the Mayors who make the complaint. The payments in lieu of taxes were not and should be the equivalent of full local taxes on the improved site and buildings. The community should make a contribution to the subsidy needed to achieve the low rents. The local communities have nearly always elected to pay their 20 percent of the Federal contribution in the form of tax exemption.

It might be mentioned that the Metropolitan Life Insurance Co. was granted

the right for 25 years of paying to New York City on its Stuyvesant Town project, not the full tax on the new buildings, but the taxes which had been assessed against the old slum properties which had been cleared away.

Slum clearance may actually save the city money. Slum housing comprises about 20 percent of the residential units and yields about 6 percent of the tax revenue. The slum areas take on the average more than half the medical and institutional care, half of the time of police, a third of the time of the fire department and most of the welfare department's time. Slums represent private enterprise at its worst and are without question subsidized by the taxpayer.

Fourth. It is argued that public housing is unjust because it will provide homes for only a small percentage of the population who need homes. Not all of us ride on airplanes, or with the merchant marine, but that is no argument against their subsidies.

Or the argument runs that public housing does not serve those who need it; that there are not enough welfare families in the projects and too many with large incomes.

As a matter of fact, in some projects welfare cases have run up to 23 percent and 24 percent of the total residents. This is too high. Public housing projects must not become a modern version of the poorhouse. About 10 percent of such families can be absolved and helped.

At present five-sixths of the local housing authorities have a maximum limit of \$2,200 family income or less. True, there are families in the projects with higher incomes. Under an act of Congress in force up to last August they could not be evicted when it would cause hardship, but they are being moved out as many of us must know from our mail.

In a project I know well, in New Haven, a family with two children may have a maximum income of \$2,484 per year and pays \$45 per month for four and one-half rooms. Admissions are passed on by a board made up of representatives of the Council of Social Agencies, Department of Welfare, labor, Negro, and citizen groups and the Housing Authority staff. Knowing the right people does not help if the family does not meet the requirements. Our Connecticut local housing authorities are not in politics.

Contrary to the implications of the opponents of the bill, careful provision is made for families living in slum areas to be cleared. Federal assistance is available to clear areas predominantly residential in character or where redevelopment would be primarily for residential use, but always provision must be made for temporary shelter for displaced slum dwellers and for permanent, safe, and sanitary dwellings at rents they can afford to pay. The new dwellings need not be on the old site. The locality has the right to make a comprehensive plan for its development.

It has been said on this floor that slums are made by people. It is true slum dwellers often have undesirable habits. But what else could be expected, especially of adults born and brought up in a slum environment? Slums too often make undesirable people and are costly

to the community. They are costly in bad health, poor physique, and high morbidity rates.

A higher proportion of rejectees by draft boards were from the slums than from any other section of the population. Studies show the infant mortality rates 5 to 6 times as high as in the better neighborhoods. Dr. Scheele, Surgeon General of the United States, emphasizes the fact that the quality of housing bears a direct relation to health. Overcrowding results in a high incidence of pneumonia and tuberculosis, and communicable diseases. Slums have a high rate of home accidents. There are proportionately more people killed and maimed each year in slum dwellings than in others. The incidence of mental disorders and of mental deficiency is higher. Slums with dilapidated buildings infested with rodents and insects breed disease and spread disease. A study in New Orleans showed that 49 percent of the city health budget went into the slums which contribute 5 percent of the city's tax receipts.

The ultimate effect of dirt, noise, poor sanitation, lack of fresh air, lack of sunlight, of space, of privacy, is poor health, mental and physical, and expense in medical care, hospital, and institutional care, and welfare expenditures by the city.

Juvenile delinquency is from 10 to 20 times as high in slum areas as in better residential sections. Overcrowding in the home causes tension and disagreements, sends the children to the streets for recreation. A study made in New Haven, Conn., of 649 children 7 to 17 years of age from 317 families showed 3.18 per 100 children delinquent in 1924-44, when they lived in the slums. This was reduced by 1/2 to 1.6 percent during the 2 1/2 to 4 1/2 year period 1940-44 when these families moved into a public housing project with more room and recreational and play space.

H. R. 4009 emphasizes better family living. Terms such as "suitable living conditions," "livability of housing accommodations," "dwellings adequate for family life" all recognize the part housing plays in providing conditions under which sound family life can be developed. Slum clearance and rehousing are directed toward improving family life. We are dealing with much more than mere physical rebuilding of a city.

Slum clearance and good, low-rent public housing will pay its way in direct monetary savings and in indirect improvements in the stamina and character of the citizens. If we use the figures of excess cost of slums in poor health, police and fire protection and juvenile delinquency we can get some idea of the gains of slum clearance. In Newark, N. J., it was estimated that the clearance of slums and moving the families to public housing saved \$33 per year per family in municipal costs. If the program before us rehoused 850,000 families, and it will rehouse more because public-housing project tenants are not permanent, this would mean on the basis of several studies of existing projects, 3,000 fewer deaths from tuberculosis each year, 2,000 fewer deaths from pneumonia, more than 2,000 fewer infant deaths and a monetary saving of \$25,-



500,000 per year in municipal outlay for medical care and public health, fire, police, and juvenile delinquency costs. It would mean, further, gains in worker productivity and, most important of all, gains which cannot be valued in dollars but only in terms of human well-being and happiness.

People will not lose morale and become helpless dependents of the State if they have decent, low-rent public housing as opponents of the bill have claimed they fear. Anyone who has known the valiant struggle of the mother in the slum tenement to keep the place clean, to bring up her children to be sturdy, fine citizens knows the quality there is in so many of these disadvantaged families forced to live under such poor conditions. And anyone who has seen such a mother brighten, gain her health and look years younger after she and her family have moved to a clean, well-arranged, well-equipped public-housing apartment, knows this claimed fear of statism has no place in a discussion of this bill. Surely most of you have shared the experience I have had of going about a three- or four-room apartment in a public-housing project with the new occupant and being shown the wonders of a shiny bathtub, a place for the dishes, a place, all his own, where Johnnie can keep his things, the miracle of a broom closet—all just such everyday matters in your life and mine that it makes one ashamed that they could mean so much to another fellow American.

Nor will these families just stay on the project forever as has been suggested. Again may I illustrate a general situation by specific figures from a New Haven public-housing project. Between 1941 when the project opened and 1947 when the study was made, there were 487 families in residence. Of these, 116 Negro families, 37 percent of their total, and 102 white families, 61 percent of their total, moved out. Of the 265 families who had not moved, 110 were low-income families whose wage earner was in an occupation where there was little hope of an increase in earnings, 13 were recipients of old-age assistance, and 11 of aid to dependent children.

These projects have an educational value. Families move into them from the slums, learn better ways of living, better community habits, learn to want better things, and to want their own home. From the same New Haven project I could give you stories of couples who have saved and bought a little house and with the aid of their project neighbors improved it into a really good place.

We do not need to be afraid of giving the American family a chance. We all still want better things and will work for them if we have half a chance.

The list of organizations supporting this bill for slum clearance, public housing, and betterment of farm homes reads like a roster of respectability, not of Socialists or Communists. Surely they could not all be deceived—not the veterans' organizations, American Legion, AMVETS, Catholic War Veterans, and so forth; the National Association of Parents and Teachers, the National Grange, the National Conference of

Catholic Charities, the National Conference of Catholic Women, the National Council of Jewish Women, the Council for Social Action of the Congregational Christian Church of the United States of America, the World Council of Church Women, the Women's Division of the Methodist Church, the National League of Women Voters, the CIO, the A. F. of L., and so on—all organizations whose members are good, substantial citizens who have learned that the best way to help people is to give them the opportunity to help themselves, and that at times the taxpayers' money can be saved by spending some money in order to provide such an opportunity for self-help as slum clearance and public housing give to the slum dweller to better himself, his children, and his community.

Further would the Guaranty Trust Co. of New York and other great banks be asking for section 502 which gives banks the right to invest and deal in the housing bonds if they thought that such housing would undermine our political and economic structure? Certainly not; and these institutions have some of the best brains in the country working for them.

The answer is so obvious that the cry of Socialist, of statism, becomes absurd. Surely we in the House of Representatives know the situation as well as do these banks and the members of these organizations, and surely we likewise will back this bill and pave the way for slum clearance and for the rehousing of these slum families in decent low-rent public housing which private enterprise cannot afford to provide. By so doing we will be saving in municipal expenditures, saving in human lives, saving through the physical and moral betterment of the oncoming generation of citizens, and, at the same time, will give work to private contractors and provide one element in stabilization of the building industry and in the entire current economic situation.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BROWN of Georgia. Mr. Chairman, I also yield the gentleman 5 minutes.

[Mr. BURDICK addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Georgia. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, I am in favor of this bill and I am in favor of it in the form in which it was reported by the Committee on Banking and Currency. I am opposed to the suggested amendment to cut it 20 percent, to subtract 200,000 dwelling units. I think some sentiment developed about that suggested amendment. It is based on exaggerated estimates of the annual rent subsidies to the localities under the public-housing program. I wrote to the Commissioner of the Public Housing Administration and got this reply, dated June 14, 1949:

This is in response to your request of June 7, 1949.

There are now 193,798 units in the United States Housing Act program. All but 19,914

are owned by local housing authorities. During the calendar year 1948, annual contributions paid on these projects amounted to \$3,718,825.

Thus it is revealed that these exaggerated statements about the size of the annual subsidies are grossly out of line with the truth. I suggest to the Members that each one make his own personal investigation and inquiry on that subject before he votes to slash this bill by 20 percent. You can get the information from the Federal Public Housing Authority. I hope that amendment is not carried and that the full program as recommended by the Committee on Banking and Currency of 1,050,000 housing units is ratified by the vote of this House.

I voted before for legislation of essentially the same character as this. That was the United States Housing Act of 1937. There is no principle involved in this legislation; there is no machinery in regard to the Federal subsidy and the cooperation between localities and the Federal Government which was not involved in that legislation. It carried in the House by a vote of 275 to 86. It carried by an overwhelming majority of 3½ to 1. Statements were made by some Members which did not carry weight, evidently, with the majority at that time, and were of about the same character as the statements made here in regard to the pending legislation. Among those who voted for the United States Housing Act of 1937 which is essentially the same in principle and character as this bill, except that this is larger in scope, were such men as Hon. Fred Vinson, then a Member of the House of Representatives and now Chief Justice of the United States Supreme Court. Certainly he is not a Socialist. There were such men as the late Hon. William B. Bankhead, former Speaker of the House of Representatives. As you know, usually the Speaker of the House does not vote unless he asks the Clerk to call his name and so records his vote. Speaker Bankhead at that time voted for this legislation. We all know that he was not a Socialist. Hon. Henry B. Steagall, then chairman of the committee, presented the bill to the House; also the ranking majority member of the Committee on Banking and Currency at that time, and who is now the ranking minority member of the committee, the gentleman from Michigan [Mr. WOLCOTT], made an able and eloquent speech defending the principles of the United States Housing Authority Act, which is the same in principle as this bill. The gentleman from Michigan [Mr. DONDERO] voted for it; and the gentleman from Michigan [Mr. ENGEL]. All the Democratic Members of the House from Michigan at that time voted for the United States Housing Act of 1937. There is no difference in principle. If this is socialistic, so is that act. I do not think it is socialistic. I am sure it is not. I am not a Socialist. We are confronted with a housing crisis. We cannot vacillate in this kind of legislation. If we do not solve it this way there has to be some solution to it or the country will be in a chaotic condition in the next few years. I am not



convinced by the formula suggested by the minority leader who, in his statement yesterday, said that after all, people are not going to get married any more like they used to, and that if they do, they can double up and he pointed out that he knows of a vacant house in Attleboro, Mass., which is to rent for \$25 a month.

During ample hearings there was presented to the committees of the Senate and of the House of Representatives testimony that convinced the majority of us. Testimony for instance from the United States Bureau of the Census, which has been repeated in different hearings and never contradicted, that by the year 1960, which is only about 10½ years away, we will need a minimum of 15,000,000 additional non-farm-dwelling units in the United States. This bill does not undertake to fulfill that need. This bill just undertakes to provide a means by which the poorest income families in the United States up to the limit of a million shall be able to find a place to rent. They do not get it free, they pay rent. Private finance, without the machinery provided for in this bill, will not enter the field. That has been proven. It is before our eyes. Observation and experience prove that to us. They are not undertaking to build homes for families in that low-income group. Hence the slums and squalor and all that goes with slums and the public loss that is involved.

Then gentlemen cite the Constitution. If it is constitutional for us to rehabilitate the cities of foreign nations and even the cities of our former enemies in the last war, certainly it is constitutional to cooperate with our local governments in a practical plan by which the slums can be eliminated and the needed buildings and projects constructed.

The provision regarding slum clearance is that the Federal Government makes available the sum of \$500,000,000 to be expended in contracts with cities over a period of 5 years. The Federal Government does not do the whole job. It cooperates with the cities. This is the way it works: The cities have wanted to clear these slums and use that land in a proper way, but there is a limit to what they can spend. The excess over that limit, or that differential, in order to obtain the construction that is needed, is where the Federal Government steps in and says, "We will give to the cities, if they adopt this plan of slum clearance, up to the limit of two-thirds of that differential, or two-thirds of the net project cost in order to clear the slums."

That is not given away. There is something done with it. There is enrichment to our cities and enrichment to the Nation.

In regard to the public-housing feature, the Federal Government sets up a billion and a half dollars revolving fund for loans, which are paid back by the municipalities.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. O'BRIEN] has expired.

(Mr. O'BRIEN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. GARMATZ].

(Mr. GARMATZ asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GARMATZ. Mr. Chairman, I am very glad that we are finally being given the opportunity to discuss the housing bill on its merits. The housing situation is still the Nation's No. 1 problem and I am convinced that H. R. 4009 is the only means of securing decent homes for low-income families, now living in crowded, unhealthful, slum conditions.

It is true that the number of houses built during the past few years has exceeded all previous building records; but only a small proportion of those houses were sold or rented at prices that the majority of our families can afford. I am a firm believer in the system of free enterprise, but in this particular field, free enterprise has been unable to provide a solution for the housing shortage. This may be partly due to the fact that private builders are not interested in building low-cost housing because of the low profit in such work. That is readily understandable, but that does not help the situation. Slum conditions and the housing shortage are steadily growing worse, and only assistance by the Federal Government, such as advocated in H. R. 4009, can alleviate the conditions.

Last week I received a letter from the chairman of the Housing Authority of Baltimore City, which I want to insert at this point, calling attention to the dire need for this legislation to help solve the problem in Baltimore, and I know that similar conditions prevail in a great many other localities. The letter follows:

HOUSING AUTHORITY OF  
BALTIMORE CITY,  
Baltimore, Md., June 14, 1949.

HON. EDWARD A. GARMATZ,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN GARMATZ: I am writing you as chairman of the housing authority, and on behalf of the other commissioners of the authority, to request that you give your support to H. R. 4009, the General Housing Act of 1949.

There is an acute need in Baltimore City for additional decent dwellings for low-income families. Studies conducted by this authority indicate that at least 50,000 dwellings in the city are in such deplorable condition that they should be torn down and replaced. Many thousands of these dwellings, unfit for human habitation, are now being occupied by more than one family. Private home building has been proceeding at a comparatively high rate but only for the benefit of upper-income groups. There has been no increase in the supply of dwellings, old or new, available to present slum dwellers.

The existence of this enormous unfulfilled need is dramatically demonstrated by the applications received by this authority. We now have approximately 20,000 applications on file. Over 8,000 were filed in 1948 and so far the 1949 rate is even greater than last year. A check of recent applications indicates that virtually all families applying live in substandard housing and that one in every seven is facing eviction. Two-thirds of all applicants had family incomes below \$2,500. During 1948 we were able to place only 844 families in our existing low-rent projects. The average income of these families was only about \$1,400.

Statistics are often cold and meaningless. A clearer conception of the difficulties confronting Baltimore's low-income families can be gained from the very many letters we receive pleading for assistance. A few of these are quoted on the attached sheet. (Since these communications are regarded as confidential, identifying names and addresses have been deleted.)

In the face of this crying need I am appalled by the irresponsible and misguided nature of the opposition to H. R. 4009. I do not want to take your time to make a detailed rebuttal of all of the opposing arguments, but let me quickly mention just a few:

1. It has been said that public housing is in competition with private enterprise. The average family income of all families living in low-rent projects operated by the Housing Authority of Baltimore City is \$1,742. (This includes the very small proportion of families with incomes over our limits who are being moved out as fast as local circumstances permit.) Can private enterprise supply decent housing to families of such incomes? Everyone knows that it cannot. How, then, could we possibly be competing with private enterprise?

2. It has been said that public housing is socialism or communism. Such an argument is pure poppycock and an insult to the intelligence of the American people. Does anyone seriously believe that if this charge had even a grain of truth, the bill would be supported by all of the veterans' organizations, by all of the major religious groups, by both Republicans and Democrats, and by 4 out of 5 Senators?

3. It has been said that public housing is not necessary, since slums can be eliminated through the operations of the so-called Baltimore plan. Everyone connected with the Baltimore plan knows that this is simply not true. The Baltimore plan helps to a limited extent, but the dwellings still remain slums. Furthermore, the Baltimore plan cannot eliminate overcrowding or create an additional supply of low-rent dwellings.

4. It has been said that the bill is too costly. The cost estimates which accompany such an argument are inflated and exaggerated, as a recent report by the Bureau of the Budget has proved. Furthermore, the alleged costs of the bill are based upon a 40-year period. Any annual cost, no matter how modest, can be made to sound astronomical by multiplying it by 40. And, finally, the costs must be considered in terms of the benefits to be gained. The real question is, Can we afford not to clear our slums? The cost over 40 years of doing nothing in terms of public health, decreased property values, crime, juvenile delinquency, and disease make the costs of the bill seem insignificant. The opponents to this bill are quibbling over the price of a hose while their house burns down.

5. It has been alleged that slums can be cleared without any need for additional public housing through the operations of such agencies as the Baltimore Redevelopment Commission. Urban redevelopment is an essential tool in any comprehensive attack on our slums, but without low-rent public housing it is powerless to act, since it otherwise has no means of relocating the families now living in the areas marked for clearance.

Public housing is no longer an experiment. It has been tested in cities all over the United States, and it does provide decent housing for low-income families at an extremely modest cost. There is no other method known which does accomplish this result. The present bill is an outgrowth of this experience and is based upon years of study. Every congressional committee in both the Senate and the House which has studied the problem has endorsed the principles upon which this bill is based.



The commissioners of the Housing Authority of Baltimore City, who receive no compensation for their services nor have any interest other than that of public service to their community, respectfully urge you to support the bill in its present form and to oppose any attempt to render it inoperative through crippling amendments.

Most cordially yours,

DON FRANK FENN,  
Chairman.

The opponents of this bill have advocated the adoption of the Baltimore plan as a means of curing the slum problem. The Baltimore plan is an excellent attempt at helping to arrest the spread of slum blight. It may improve bad housing, but it cannot turn it into good housing. It cannot eliminate slums. Dr. Huntington Williams, commissioner of health of Baltimore City, has written an excellent article on the Baltimore plan, which I would like to bring to your attention:

#### WHAT THE BALTIMORE PLAN IS AND IS NOT

(By Huntington Williams, M. D., commissioner of health of Baltimore City; and Wilmer H. Schulze, Phar. D., director of the sanitary section, Baltimore City Health Department)

The great social problem of providing adequate and hygienic housing for the people is inherently so complex because of its economic difficulties that it may be likened to a large dark forest. There are many promising approaches that can be made to solving this puzzling problem, just as one may enter a forest between any two of its trees. Further penetration reveals that the darkness is real, that others who have entered from different directions are also in a quandary but may be sincerely interested in the exploration. To the extent they are aware that success will depend on teamwork and a reasonable interest in helping the people who need better housing, they will become conscious of their natural teammates as they bump into them in the forest. Together they can then go forward toward a clearing where there is some light and a chance to map their courses in a manner that eventually could solve the housing problem.

#### ONE METHOD—LAW ENFORCEMENT

The enforcement of legislation pertaining to sanitation and nuisances was one of the earliest functions of local health departments. While public health interest in housing in Baltimore City may be found as early as 1850, the use of special health legislation to improve existing unsanitary housing on an area basis is a relatively new undertaking. Experience in Baltimore during the past decade has demonstrated that by law enforcement many existing slums in blighted areas may be made habitable even though the results accomplished do not turn these worn-out houses into a state of real decency.

The Baltimore City health department has chosen to enter the forest by the path of housing law enforcement as an attack on the rock-bottom slums. In 1939 the city health department secured the aid of the city buildings engineer and succeeded under ordinance in having one of the worst slum spots in the city demolished. A few other rock-bottom slum houses were also demolished or rehabilitated shortly afterwards.

For a period of more than 18 months, which was a crucial time in what was actually an adventure of the city health department into the field of controlling unsanitary housing, an editorial writer on the staff of the Baltimore Evening Sun, who called himself its "Architectural Correspondent," gave superb support. By making personal slum surveys with the commissioner of health and the city welfare director and a press photog-

rapher, the slums were taken frequently to the front doorsteps of the citizens on the editorial page of the Evening Sun. This very unusual publicity gave a strong 2-year initial educational public support that can now be seen in its true perspective—it was the essential foundation stone for later success in a relatively new field of public health endeavor. Eventually there was a test case in court and the owner of the slum property involved lost his case and was found guilty of violating the general nuisance abatement section of the city health code.

#### PUBLIC OPINION SUPPORTS LEGISLATION

In order to give the city health department the authority to develop an effective housing law enforcement program, an ordinance on the hygiene of housing was carefully prepared and enacted. This ordinance received the approval of the mayor on March 16, 1941. It included an all-important section that gave the city health authority power to adopt rules and regulations deemed necessary to make the enforcement of the ordinance effective "for the better protection of the health of the city." Both owner and tenant responsibilities for the maintenance of sanitary dwellings were included in the ordinance and in the regulations that were adopted and promulgated in 1942. The regulations were carefully drawn so as to provide a minimum standard for housing sanitation. During this period, an amendment to the existing rooming-house ordinance was approved on June 28, 1941, and rules and regulations governing this type of dwelling, as well as others to control trailer camps, were also adopted in 1942. The city housing code containing the ordinances and regulations previously mentioned, together with the nuisance abatement ordinance, was published in 1943. In this same year a division of housing in the sanitary section of the city health department was established.

Enforcement of the new ordinance proceeded slowly at first, as had been anticipated. Its legality was challenged by an owner after he was found guilty in the criminal court of Baltimore city. On appeal to the Court of Appeals of Maryland, the judgment of the lower court was affirmed on June 24, 1943, and the constitutionality of the ordinance was established.

During the war period most of the enforcement effort was of necessity devoted largely to the correction of unsanitary and unsafe housing related to the city's large influx of war-industry workers and their families. Experience gained during the war years demonstrated that an enforcement program under normal conditions could achieve much more in the way of satisfactory compliance with the housing code on a block or area basis than by spot enforcement based largely on complaints. Such an area program would not single out individual owners or tenants who would be reluctant to put forth much effort in the way of compliance while other owners of adjoining or nearby dwellings were not required to conform.

#### AGENCIES COORDINATE THEIR EFFORTS

An opportunity to proceed with enforcement on a block unit area as a trial was presented in September 1945, when the mayor called a conference of city officials concerned with housing and sanitation, at which time he asked them to coordinate their efforts toward correcting flagrant violations of city ordinances in areas where bad housing and unsanitary living conditions existed. During the fortnight after this meeting the Baltimore City Housing Law Enforcement Committee was organized at the suggestion of the commissioner of health and the city buildings engineer. The committee consists of representatives of the chief city departments that are concerned with the legal phases of housing control. The committee selected a block in the southern part of the city that was fairly characteristic of its sub-

standard Negro housing. Representatives of the enforcing agencies—the health department, the buildings engineer, and the fire department—made inspections of each property in the block, noted all existing violations, and compiled legal notices for their correction. These notices were assembled and sent to the owner or tenant and in each instance set a reasonable date for cessation of ordinance violations. In addition, the health department representatives recorded statistical data pertaining to existing housing and sanitary conditions. As a result of this first trial late in 1945 of the coordinated law enforcement program, plans were made to extend it to adjoining blocks and work on a second block was begun in 1946. Progress was necessarily slow in this period, chiefly because of lack of an adequate staff, acute shortages of materials, and the newness of this type of approach toward improving housing and sanitation on an area basis.

Early in 1947, with the guidance of the commission on city planning, the redevelopment commission, and the city housing authority, six areas of the city consisting of about 308 blocks were selected by the housing law enforcement committee as suitable for primary attention. During the same year, the law enforcement committee was streamlined to consist of five persons representing the health department, the department of public works, the fire department, the police department, and the redevelopment commission. Representatives of other official agencies are called upon as specific problems arise. Further to expedite the enforcement program, it was agreed that all original inspections would be made by the city health department. The fire department or the bureau of building inspection is brought into the field work whenever needed. These changes, together with an increase in the health department inspection staff in its division of housing, made possible the expansion of the enforcement efforts in 1947 to include 26 of the 308 additional blocks. This enlarged work includes approximately 900 dwelling units, some for white and some for Negro families, located in four widely separated areas of the city.

#### HOUSING COURT AND SANITARY POLICE

Another major development was the establishment in July 1947 of a central housing court set up to hear all cases involving violations of ordinances pertaining to housing and sanitation. Formerly, cases of this type had been heard in the eight district police courts along with numerous unrelated neighborhood cases. The housing court is in session two afternoons weekly and has demonstrated the value of having all such cases heard in one court designated for this purpose. A record has been published of the first year's work of this special housing court where a total of 1,596 cases were heard.

Another innovation in 1947 that plays an important part in the city-wide sanitation and housing program was the assignment given by Baltimore's Police Commissioner to a police inspector to organize a group of 16 police officers, 2 in each police district, to devote their full time to the correction of unsanitary conditions and certain housing violations in their respective police districts. Joint conferences are held with them by the Health Department and the Housing Law Enforcement Committee as the need arises in order to coordinate their activities with those of other responsible official agencies. The 16 sanitary police brought 1345 cases to the central Housing Court during its first year and during the same period obtained compliance with 18,119 notices issued to correct unsanitary conditions without the need for such court action.

With the expansion of the enforcement program in 1947 there was noticeable evidence of an increase of cooperation and interest on the part of most owners and ten-



ants in proceeding more promptly to comply with notices to cease ordinance violations. Some owners in nearby blocks have been observed making improvements to their properties without receiving notices. In some instances owners have gone beyond the notice requirements in making desirable changes.

The cooperation of all related official agencies is essential in an enforcement program. Such agencies as the fire department, the police department, the department of public works, the bureau of building inspection, the city comptroller, and the welfare department play an important role in specific problems that arise during enforcement procedures.

#### MANY APPROACHES TO THE HOUSING PROBLEM

Enforcement of the provisions of the city housing code in Baltimore is only one of several approaches to the housing problem. It is not a substitute for other programs such as redevelopment or public housing or the building of new homes on the basis of private enterprise. What needs to be remembered is that these and other approaches to the over-all housing problem each play their part and each may be as necessary as the others. It is possible, however, where adequate preliminary education and publicity can be secured, that the law-enforcement procedure can do much to bring existing slum and substandard houses up to a minimum of decency and make them more nearly suitable for human habitation. Beneficial results to persons living in blocks where such law enforcement is carried out include improvements related to health and safety such as additional light and ventilation; replacement of outdoor with inside toilets; elimination of rats, rat-breeding areas, dilapidated wood fences and frame structures; correction of structural defects; elimination of fire hazards; and provision of some recreation space, particularly for small children. Such improvements serve to stimulate the occupants to take pride in home maintenance and sanitation and cannot fail to enhance the general health status of the people who live in the slum areas of a city.

The President's attack on the real estate lobby for opposing the passage of the housing bill has provoked more propaganda from the National Association of Real Estate Boards, through its president. The Housing Authority of Baltimore, being vitally interested in the passage of this legislation because of their first-hand knowledge of its need, has, through its chairman, sent a letter to the editor of the Baltimore Sun, refuting the statements made by the president of the National Association of Real Estate Boards, and giving the true facts in the case. I believe this letter is worthy of your attention, therefore, I am inserting it at this point:

HOUSING AUTHORITY OF BALTIMORE CITY,  
Baltimore, Md., June 20, 1949.  
EDITOR OF THE SUN,  
Baltimore, Md.

DEAR SIR: In a recently released statement reported on the front page of the Sunday Sun, the National Association of Real Estate Boards, through its president, Mr. T. H. Maenner, has taken issue with President Truman's attack on the real estate lobby and has repeated all of its previous charges against the housing bill now pending in Congress. As chairman of the Housing Authority of Baltimore City, I am in a position to point out how completely unfounded are the NAREB's charges and I feel that it is my duty to explain the facts of the situation with particular reference to our present low-rent housing program in Baltimore:

1. President Truman has stated that the total amounts to be spent under the bill will be substantially less than the amounts authorized. The NAREB asks why, if this is true, are not the authorizations in the bill reduced to the level of expected expenditures? There are two good reasons why this cannot be done:

(a) The amounts required for annual subsidies for low-rent public housing will fluctuate from year to year with the general economic level. In depression years more will be needed than in prosperous years. The maximum authorization in the bill would only be needed during years of severe depression; during other years much less would be required. If, however, the authorization in the bill were reduced to the amount required in an average year, not enough would be available for the comparatively few years when Federal assistance was most needed. This point is well illustrated by our experience in Baltimore. Our contracts with the Federal Government provide for a maximum annual Federal subsidy of \$741,720 covering some 4,400 low-rent dwellings. The amount we actually required last year was only \$133,926, or 18 percent of the maximum amount available if we had needed it. Over a period of years it is expected that this percentage will average about 65 percent, but during a bad year we may well require the full amount.

(b) The largest single operating expense for any developer, public or private, is interest on borrowed money. Low interest rates mean lower rents. By making the maximum authorized Federal subsidy large enough to cover our debt service, our bonds will have a high degree of security and will command low interest rates, thus reducing the need for Federal subsidy. By promising to pay out \$16,000,000,000 (over 40 years) if necessary, the Federal Government will actually have to pay out only the \$10,000,000,000 indicated in the President's statement. If the Federal Government reduced its authorization to, say, \$13,000,000,000, it might well have to pay out the full \$13,000,000,000. A high authorization, thus, becomes fundamentally sound economy.

These two simple facts are at the root of the current controversy over the cost of the bill. They explain why the actual cost will be substantially less than the authorized maximum cost and also why the authorized cost cannot be reduced to the expected actual cost without nullifying the purpose of the bill. By choosing to ignore these facts the NAREB has come up with a total cost equal to twice the probable cost.

2. The NAREB charges that the average cost per dwelling under the bill will be \$15,000 or nearly twice President Truman's estimate of \$8,645. The NAREB's figure was computed by dividing its estimate of the total cost of annual subsidies by the number of dwellings. Since, as explained above, its estimate of total costs are about twice the actual cost, its unit costs become correspondingly exaggerated.

3. The NAREB questions the sincerity of the bill's proponents in actually desiring to provide decent housing for low-income families on the score that the bill nowhere defines low-income families in terms of dollars. The bill does contain adequate provisions for insuring that only low-income families will be admitted. The omission from these provisions of a definition of low-income families in terms of actual dollars was deliberate since any such provision would be administratively unworkable. How does one compute a dollar limit which would be equally valid in all parts of the country and over a period of years? A low-income family in New York City might well be a middle-income family in Alabama. A low-income family today would not have been a low-income family before the war. In view of these

fluctuations the exact determination of what constitutes a low-income family must be a matter of local administrative action but the bill is so worded that it would be impossible for any local housing authority to violate the bill's intent. Let me cite Baltimore's record on this point. Families admitted in 1948 to low-rent projects operated by the HAEC had an average annual income of only \$1,410. The average annual income of all families in our low-rent projects as of the end of 1948 was only \$1,742. There is no specific dollar limitation on income in the existing legislation covering our present projects yet I feel that even the NAREB would admit that the figures I have quoted represent low-income families.

4. The NAREB makes much of the fact that the bill permits operations on vacant land. Although the NAREB does not so state, the sections of the bill which it quotes pertain to the operations of local redevelopment commissions rather than local housing authorities, and I do not feel that it would be entirely appropriate for me, as Chairman of the Housing Authority, to discuss a matter which more appropriately falls within the jurisdiction of another agency. I would like to point out, however, that no slum clearance is presently possible until new quarters are found for the families now residing in the areas to be cleared, and that in view of the present housing shortage this means that a certain limited amount of new housing will probably have to be provided on vacant land.

5. The NAREB states that low-rent public housing projects should be constructed only following a local referendum. Again any such requirement would be administratively unworkable. Our Federal, State, and municipal systems of government are based upon our public business being carried on by elected representatives or by the appointees of elected representatives. As pointed out in an editorial in the Sun for April 26, the present bill carries ample provisions for local autonomy by requiring that any local participation must have the full concurrence of the local governing body. The only persons who have advocated local referendum are those who are bitterly opposed to the bill and their sincerity is, therefore, open to question.

6. The NAREB quotes a whole series of statistics designed to prove that there now exists an ample supply of decent housing for low-income families. Apparently we are supposed to be convinced that there are no slums in Baltimore or anywhere else. The citizens of Baltimore know that this is not true and it does not seem necessary for me to make a detailed rebuttal. I might point out, however, that there is now a backlog of 20,000 applications in the Housing Authority's files, most of which are from low-income families now living in substandard housing.

7. The NAREB objects to the fact that public housing projects are tax exempt on the score that the taxes of other citizens must inevitably be increased. In the first place it can be proved that the cost of tax exemption to the city for this type of program is negligible. In the second place, the NAREB takes no account of the fact that our present slums represent a financial drag upon all taxpayers in terms of excessive costs for such municipal services as fire and police protection, public health costs, etc. Many studies have conclusively proved that our slums cost the city far more than they produce in revenue and are in effect being subsidized by the taxpayers who live in other areas. If we are to have subsidized housing, let us have subsidized decent housing and not subsidized slum housing. Nor does the NAREB pay any attention to the great loss in human values resulting from our slums—the high rates of crime and disease, the excessive number of juvenile delinquency cases, and the heavy toll of hopelessness and despair.



8. Finally, the NAREB has dragged out again the hoary old chestnut of socialism. The word "socialism" seems to be used too freely these days to disparage any progressive program. The housing bill represents the best possible method so far developed of tackling a problem which must be solved. If it is socialism then so are public schools, public highways, and many other of our accepted methods of performing needed public service. There are far greater dangers to our American way of life in doing nothing about our slums and our housing problem than anything which could possibly come out of the present bill. I cannot regard as un-American any proposal which has the support of every veterans' organization, every important labor organization, all of the important church groups, and a long list of other organizations. The present bill was backed by four out of every five Senators and its principles have been endorsed by every congressional committee which has studied the problem in the last 5 years, including three Republican-controlled committees in the Eightieth Congress. The NAREB is free to regard the housing bill as socialism if it so chooses; personally I prefer to regard it as conservatism in the best sense of the word.

Sincerely yours,

DON FRANK FENN, *Chairman.*

Charges of socialism have been made against this program, but personally I consider our efforts to aid those less fortunate segments of our population as Americanism, not socialism. This legislation has the support of the following national organizations, and these groups can hardly be considered as favoring socialism:

MAJOR NATIONAL ORGANIZATIONS SUPPORTING  
H. R. 4009

American Association of Social Workers.  
American Association of University Women.  
American Council on Education.  
American Council on Human Rights.  
American Federation of Labor.  
American Home Economics Association.  
American Legion.  
American Municipal Association.  
AMVETS.  
American Veterans Committee.  
Congress of Industrial Organizations.  
Council for Social Action of the Congregational Christian Churches of United States of America.  
Council for Christian Social Progress, Northern Baptist Convention.  
Department of Christian Social Relations, Women's Division, Methodist Church.  
Department of Christian Social Relations, United Council of Church Women.  
Division of Social Education and Action of the Presbyterian Church.  
Family Service Association of America.  
Federal Council of the Churches of Christ in America.  
Jewish War Veterans.  
League of Women Voters.  
National Association for the Advancement of Colored People.  
National Association of Consumers.  
National Association of Housing Officials.  
National Association of Jewish Center Workers.  
National Association of Rural Housing.  
National Conference of Catholic Charities.  
National Council of Catholic Women.  
National Council of Housing Association.  
National Council of Jewish Women.  
National Council of Negro Women.  
National Farmers Union.  
National Federation of Settlements.  
National Institute of Municipal Law Officers.  
National Lutheran Council.  
National Housing Conference (formerly National Public Housing Conference).

National Women's Trade Union League.  
National Association of Parents and Teachers.  
United States Conference of Mayors.  
Veterans of Foreign Wars.  
National Urban League.  
National Board of the Young Women's Christian Association.

The housing situation has been given careful study by both House and Senate committees for many years, and has revealed the dire need for this legislation.

Both the Democratic and Republican campaign platforms pledged Federal aid for slum-clearance and low-rental housing programs, where the need could not be met by private enterprise or State and local authorities. Therefore, our failure to enact such a program at this time would be a repudiation of our party platforms, the platforms on which we were elected to Congress. We cannot do otherwise than to support this legislation, without crippling amendments, and without further delay.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Chairman, I have always thought it was a rather good thing that in the other body housing was recognized as bipartisan business. I hope that when the vote comes in this body housing will be recognized in this body as bipartisan business. I think that is true in both an affirmative and a negative sense.

First, it takes bipartisan votes to enact housing legislation, and it takes bipartisan votes to keep it implemented.

Second, housing has been equally frustrated by Democratic and Republican Congresses. The other body on three separate occasions has passed a housing bill, but regardless of the leadership in this House at the particular time, it has been impossible to get that housing bill even discussed on this floor. I think this debate is a great day for the great bulk of the American people; certainly for those who live in the cities, because at long last in the House of Representatives we are going to vote yea or nay on this whole housing problem.

So that my remarks about bipartisanism on housing may be clear, I quote from the Republican platform adopted in 1948 in connection with the presidential campaign, as follows:

Housing can best be supplied and financed by private industry, but the Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum clearance and low rental housing programs only where there is a need that cannot be met either by private industry or by the States and localities.

I submit that this bill does exactly that, in almost such words.

Mr. Chairman, many people seek to tell us that this is a matter of limited application; that it will not affect many people of the United States.

There are 397 cities in the United States with populations of over 25,000. I believe that practically every Member of this House will find that one of those

cities is in his district, and that every one of those cities is deeply interested in this bill.

We are told also that this bill is socialistic. I think that argument has been answered many times, but one answer that seems important to me is that it seems to depend on whose ox is being gored. There is apparently no socialism in even a billion dollars for parity payments and other Federal aids for farmers. There is no socialism in aid for rivers and harbors, soil conservation, and irrigation. There is no socialism in a bill which I voted for, and which many other Members voted for at last session, which actually helped to house migratory workers to help the farm situation in the United States; that bill was passed, and passed with a heavy vote by this House in the last Congress.

We are told also that if we pass this bill the housing of our Nation will be taken over by the Government. There is no substance to that. I have taken considerable trouble to ascertain exactly how many public housing projects there are in the United States, State, Federal, city, or other, and they come to the tremendous total of 276,171, to which we propose to add about 800,000, making something over a million out of roughly 35,000,000 housing units in the United States.

I went around yesterday with nine other Members of the House to some housing projects in New York. To get the physical impact of the "before" and "after" effect, I ask you to look at these two pictures. This one is "before"; this is a slum. Just get the impact of this picture. You have heard about all the merits and demerits, the pros and the cons, the cost in dollars and cents. This is the slum; this is where human beings are asked to live, and yet we call upon them to be patriotic Americans and appeal to them to do everything humanly possible to resuscitate the depressed nations of the earth. This second picture represents a housing development in New York such as is contemplated by this bill. The difference between these two pictures is all the difference between life and death as far as human morale is concerned and as far as human prospects are concerned.

We are told that we should not pass this bill on the grounds of economy. I reply to that that we must balance all the claims to the revenues of the United States in some feasible and fair way. I ask you first to take the figures of \$300,000,000 a year to be invested in low-rent federally assisted housing on essential and critical improvement for the welfare of the people of the United States, and compare that with some \$15,000,000,000 a year spent for national defense, and some billion and a half dollars a year spent on various farm programs, and then see whether the housing bill represents an extravagant approach to this basic problem; whether it is not essential that we pass this bill in order to have some balanced approach to the welfare of our people, as well as for the welfare of the Nation and the world.

This is a very reasonable program, and it is reasonable in this sense: We are told today that private enterprise on the one



hand is doing the job, but we know it cannot, because, if it were, we would not have these urgent representations that are coming up from the leading national organizations, the cities and communities, the veterans and people generally, for this type of relief, a demand that comes from all over the country. We are told on the other hand that private enterprise is not doing the job. Somewhere there is a gap, and I submit that this bill is designed to fill up that gap. It seems that private enterprise is being stabilized at in the range of 800,000 to 1,000,000 home units a year. Under a housing bill we should expect to add somewhere between 250,000 and 500,000 additional units. The passage of such a bill, therefore, should result in a balanced program and one that will also give aid to the lower middle income groups. If we do this, then we are embarking upon a housing program that is somewhere nearly adequate to meet the housing need within the next 10 years. The housing bill should pass, and we should include in it provision for the lower middle income families as provided for in the bill H. R. 1973 introduced by me and nine Republican colleagues.

We have seen there is a margin of difference between an inadequate program, which is what we have today, and an adequate program; and our people are reasonable; the people do not expect the unreasonable or the unattainable. If we pass the housing bill amplified with provision for lower middle income families, we will find, in our respective districts, that the people are satisfied, that we will have kept our faith with them.

One last word: Our democracy is important to us; it is important, certainly, to me as a member of a minority, and equally to every other Member of the House. I think it is fundamental, especially with us here as legislators, that our democracy cannot be so inflexible as to be unable to meet modern demands—demands brought about by demonstrably changed conditions—to insist on the theory of inflexibility is the surest way to shatter our democracy. The surest way to preserve our democracy and to make it virile and strong is to show that it has the resourcefulness and the flexibility to meet the problems of the welfare of our people when those problems are as clearly and as strongly shown to us as they are in housing.

There are very few measures we have been called upon to consider that have been more thoroughly scrutinized, that have been more thoroughly debated, that have been more thoroughly argued about in the country than this housing bill. I think that Members, whether for or against the bill, must come to the conclusion that the whole of the debate which has taken place very intensively for the last 4 years has failed to show that this program is invalid, has failed to show it is socialistic; on the contrary, it has shown it is reasonable, it is a necessary program and that it will do exactly what it sets out to do, that is to go far to make up the difference between the homes that we require and the housing which is being built today by private enterprise.

I believe we are going to be surprised by the number of votes for this bill on both sides of the aisle. I say that if there is a substantial vote on both sides of the aisle, it will be the best thing that could possibly happen not only for the American people but for our constitutional democracy.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. I want to congratulate the gentleman upon his excellent presentation of the problem as it exists in our large cities. I was with the gentleman on a tour of New York City and of Philadelphia. I saw the slums as they exist in those two great metropolitan areas. I saw the attempts that had been made in both New York and Philadelphia to meet the problem. I think that the attack that has been made in the city of New York has been a revelation. It has taken and brought sunshine into the lives of all these people who, except for the public-housing program, would have been doomed to the blight of a slum area.

We in the city of Chicago are just as vitally interested in that except that, because we have a constitution which impairs the possibility of our undertaking the program, such as was created in the city of New York, we must have the assistance of the Federal Government.

Mr. JAVITS. May I say that I asked one question of all the good people in the public-housing projects yesterday whom I met. I said, "In any way does living here encumber your personality, your vote, or any of your freedoms of speech and action?" Each one said, "Absolutely not; on the contrary it frees us because it frees us of squalor; it frees us of worry."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, may I ask the gentleman from New York how much these units are going to cost?

Mr. JAVITS. The estimate of cost is somewhere in the neighborhood of \$8,500 per unit. The normal unit is about four rooms.

Mr. MURRAY of Wisconsin. Mr. Chairman, I have heard many stories in regard to cost, but I will take the gentleman's figures instead of the ones I have heard otherwise. I call the attention of the members of the committee to a few things that are happening out in the country, and I do not want to get into a city-country controversy. I just want to recite my own experience in connection with trying to do something for the rural people we hear so much about.

The year before I came to Congress a man asked me if I could help him get a loan on his house. He was about to lose it. I took him to the proper place. They asked him how many dollars he wanted to borrow. He told them \$1,500. They asked him if he had water works in it.

He said, "No." They asked him whether he had lights. Yes, he had lights. Then they said they could not do anything about it because it was not a modern house. Of course, he lost his house. In the cities we took care of lots of them.

Let me cite another example. I happen to have a village in my district with a population of about a thousand people. It is a splendid community where the people have worked and have really made a success out of farming. When they retire they move to this small town.

It is a good little town, with plenty of business. Do you know how much of an FHA loan they can get to build a house in that village? They have some mighty fine homes there, too. Do you know how much? Three thousand five hundred dollars. That is the extent to which Uncle Sam is interested in building houses there. Under this bill you propose to build \$10,000 to \$12,000 homes.

Within the last 6 months a man who lives in a village in Wisconsin came to me with a problem. He has a piece of land in the village. He owes \$1,400 on it. He wanted to borrow \$1,400. There was not a Government agency interested or in a position to lend him the \$1,400. Are you asking me to vote for our Government to build a \$10,000 to \$12,000 home for someone, when the same Government does not see fit to save a \$1,400 home with the land thrown in.

Now you can see why a person that happened to come from a State that has had its income reduced by 33½ percent since election day might not be too anxious about working out any more schemes or passing out public funds until we check on some of them already passed out.

There is a way to approach this problem and the people of the country do not ask for any program that is not extended to the people in the cities. We have had a program for years under the Bankhead-Jones Act and under the Farmers Home Administration. It has been going on for several years and we have tried to do something for the rural areas. Under the Bankhead-Jones Act we appropriate \$15,000,000 a year. Now, it is going to be a long while to ever get much done on farm tenancy with \$15,000,000 a year. About the only time you hear about it is during the Democratic campaign when they tell people how they promote farm ownership. Today you want the tail to wag the dog. You want to come in with \$275,000,000 for the rural areas, \$25,000,000 of which is absolutely a blank check. Now, that may be a good idea for a Democrat or anybody else to give out \$25,000,000 blank checks. Under the rural section of this bill, thank goodness, they are going to tie this with the Farmers Home Administration.

The older Members here know the days when we had Mr. Tugwell running the Farm Security Administration. You look back in the Seventy-ninth Congress and you will find that under the leadership of the gentleman from North Carolina [Mr. COOLEY] we passed the farm home administration bill. Some agricultural groups are getting money for 2 percent interest, some for 3, and some for 4. The Farm Home Administration has been developed into one



of the best agencies in the Department of Agriculture. It helps the lower-income group so far as agriculture is concerned, and if the Government wants to furnish the people of this city with 2- and 3-percent money and give them the same consideration that they give farmers, there is no reason in the world why anyone could not support it.

My contention is that we may be getting along all right because this money is to be handled by the Farm Security Administration, but what I cannot figure out is why this new outfit has to stick its nose in it. Why do we not appropriate this amount to the Farm Home Administration and be done with it? It takes several years for the Farm Security Administration to be supplanted by the Farm Home Administration. They have made a real agency out of the Farm Home Administration, and it is an agency that any Member of Congress can stand up any place in the United States the way it has been operating in the last 2 or 3 years, and be proud of. Why start up a new farm-loan agency?

There is one distressing thing about this bill here today, including the bill introduced by my distinguished colleague, the gentleman from New York [Mr. JAVITS]. Of course, I feel sorry for those fellows in these big cities. They kind of suck the lifeblood out of the people of the Nation, but they do not take care of their own affairs. They can have nice things in the cities, but it is always at the expense of the farmers and the rest of the people of the Nation.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. YATES. For the people of the city of Chicago and the people of the State of Illinois I will say that they have been attempting to have a constitutional convention for the last 20 years to revise their constitution to permit an equitable system of taxation, and their efforts have been thwarted by the rural areas down State.

Mr. MURRAY of Wisconsin. Of course, you have had enough rackets so you could have had enough money to build palaces, but I do not want to get into that angle of it. I do not like to see the tail wagging the dog. This fair deal is getting screwier than the New Deal ever was. We just got the New Deal straightened out on the Farm Security Administration and now you want to come back in and put these fellows in the same position they were in when Tugwell was running it, and everyone of us here today is going to be sorry for it. So, I say the first thing that should happen to this bill is not let the tail wag the dog. Allocate the money to the Farmers Home Administration and have them operate and not let these other people be messing it up.

Mrs. BOLTON of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Ohio.

Mrs. BOLTON of Ohio. I wonder if the gentleman intends to offer an amendment to that effect.

Mr. MURRAY of Wisconsin. I know how little weight I carry around here. The Democrats have a majority of 91.

Mrs. BOLTON of Ohio. Some of us might like to agree with the gentleman.

Mr. MURRAY of Wisconsin. Good; so I will tell the gentleman what I have done about it. I just do not like to embarrass myself by bringing an amendment in here and having just a few people vote for it. I do not like to do that. When I get into a battle I want to be sure to win. So I did go to the gentleman from Arkansas [Mr. HAYS], a member of this committee, who used to work for the Farm Home Administration. He will tell you whether I am telling the facts about this case or not. I went to him, and I went to the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. If the gentleman thinks it would do any good, I would be glad to write an amendment, but those in the other party have the majority.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. YATES. I understand the gentleman proposes to offer an amendment which would provide additional housing for the farmers of this country. I for one will support adequate housing for the farmers of this country. But does the gentleman mean to imply by that that after voting for the farmers of this country and taking care of them he is going to leave the city dwellers out in the cold?

Mr. MURRAY of Wisconsin. My experience in life, and I have lived in the country pretty much, is that I have never had to worry about our city friends. They always take care of themselves.

Mr. YATES. They have not been able to.

Mr. MURRAY of Wisconsin. I will vote for an amendment that the gentleman from North Carolina [Mr. COOLEY] or anyone else on the majority side brings in that will transfer this money absolutely to the Farmers Home Administration, period. I know the work they do. They can do a good deal more work for the lower-income group than this bill will ever accomplish. When that amendment is voted, I surely will vote for another amendment, if the gentleman will introduce it from the city, setting it up in such a way that if anybody wants money in the city he gets it at the same rate that they pay in the rural areas, 2- or 3-percent interest. These would be loans though, not gifts.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the Farm Home Administration is under the Secretary of Agriculture, and that this bill refers to the Secretary of Agriculture?

Mr. MURRAY of Wisconsin. Yes, and no one can take my remarks as any reflection on the Secretary of Agriculture.

Mr. YATES. If the gentleman will yield further, I think the gentleman from Ohio meant to imply that this is one

country, composed of both city people and rural people, and that all should be taken care of together.

Mr. MURRAY of Wisconsin. I surely would not want to add anything to the class warfare that has been carried on by your party during the last 15 years, at least. I do not want to get into that phase of it.

(Mr. KUNKEL asked and was given permission to revise and extend the remarks he made earlier today.)

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, every citizen, whether he is for or against socialized housing, should ponder the long-time results of such a policy if it is begun. The Senate has passed the socialized housing bill. The House Committee on Rules opposed it, but finally agreed to let it come before the House for full debate and a vote.

H. R. 4009, the Housing Act of 1949, in substance, puts the Federal Government into the housing industry. Under its provisions Uncle Sam would be committed to spend \$10,000,000,000 to \$15,000,000,000 in the next few years for so-called slum removals—and the States another \$5,000,000,000—to construct homes and apartments for the low income groups. This would mean that the Government would become the biggest single home builder and renter in the Nation. It would also mean that all our citizens would be taxed while less than 1 percent of the population might expect to eventually reap a benefit.

Mr. Chairman, wherever a government has begun such activities, one inevitable result has always taken place. Private industries that had been operating in this field have had to retreat because of government competition. The government starts off with a little bit of socialism, like a camel's nose entering the tent, and ends up with complete statism or socialism. A threat to communize America by seizing the Capitol by force would cause our people to spring to arms. They would fight to the last minute for their freedom. But when socialism is encroaching, little by little—as it does in this socialized housing bill, it is not recognized as a threat to liberty and freedom, and the people are not alarmed.

Mr. Chairman, while the fight for socialized housing goes on in Congress, a bill to stimulate more home ownership among families of moderate means is being sidetracked by the administration. Senate bill 712 would provide FHA mortgage insurance for loans on small homes purchased with five percent down payments. Astonishing as it is, administration leaders are devoting their efforts to the passage of H. R. 4009, a socialized housing bill that will do nothing immediately to meet the demand for homes, while Senate bill 712, the home-building measure that would start construction of a flood of low-cost homes immediately, is held up.

Mr. Chairman, I am opposed to H. R. 4009. I favor instead Senate bill 712, a bill that would encourage private construction of low-cost homes immediately to meet the demands for such housing.



(Mr. MASON asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, any economist, whether he is for or against this bill, will admit that the legislation, in substance, will put the Federal Government into the housing industry. Uncle Sam would be committed to spend billions of dollars in the next few years for so-called slum removals, to construct homes and apartments for the low-income groups, and otherwise to become the biggest single home-builder in the Nation.

Voltaire once said that the only thing we learn from history is that the people never learn anything from history. If we ever are going to learn anything from history, this would seem to be our last chance to start, if we want to retain our civil liberties and our economic freedoms.

In every nation, past and present, where the government has begun such activities, one inevitable result has taken place. The private industries which had been operating in this or that field had to retrench because of government competition. The government started off with a little bit of socialism, about like the camel who put his nose in the tent, but it ended up with complete chaos or socialism.

A threat to communize America by a bold stroke of seizing the Capitol would put our people up in arms. They would fight to the last minute for their freedom. I am sure of that. But when socialism is encroaching, and comes little by little, first to this industry and then to that, it frequently is not recognized for the threat to liberty and freedom that it really is.

Men have labored through the centuries to have the right to work for themselves without government domination or intervention, except to protect the people against fraud and to maintain public order and decency. Yet, such bills as this housing legislation, many feel, is not bad for it helps the poor.

The fact is, when slum clearance was tried in this country during the thirties, the very poor who had lived in slums were not helped at all, as everyone knows. The poor persons who had lived in the slums had to move to make way for the bright new projects, but they were not the same people who moved into the beautiful, airy government apartments. Oh no, others who could afford to pay an economic rent moved into these new government apartments.

A survey made in Atlanta, Ga., of a slum area before and after it had been razed and rebuilt showed that not one single family who had lived in the slum area while it was a slum was living in it a year after the new apartments had taken its place. These people had moved off to another section and had started another slum.

The Federal Government spent hundreds of millions of dollars clearing slums during the thirties but there are so many, or more, slums as before.

Slums are one result of poverty, but many slums have been occupied by persons who were very wealthy, just as many extremely rich people may be found wearing clothes others would not care to wear. Every week, the newspapers tell of some aged tramp or recluse who has died and left \$100,000 or more in attics, trunks or tin cans.

The Federal Government, by wasting billions on Federal housing, can make a few contractors happier and richer. It can furnish some more subsidized dwellings for you and me and other taxpayers to maintain. But it cannot make one person clean who is unclean in his or her habits; it cannot promote a love of beauty and neat surroundings in another dissolute breast. People are people, whether the government does or does not waste its money. A decade after all this public housing money is spent and gone, there will be as many slums as ever in America, unless individuals change and determine to make their homes neater, cleaner and more respectable.

The bad results of this bill are these: It will cause private builders to quit building as many homes; investment capital formerly flowing into the housing industry will flow elsewhere; more and more homes will have to be constructed by Uncle Sam to take up the slack and to meet the obvious need for more and better homes; inevitably, the entire building industry will be socialized—maybe not next month, but in a decade or so. That is the way the New Deal planned it and that is the way it will be, if this legislation is passed.

And while the fight for socialized housing is being made, a bill to stimulate more home ownership among families of moderate means is being sidetracked by the Administration. Senate bill 712 would provide FHA mortgage insurance for loans on small homes purchased with 5-percent down payments. Astonishing as it is, administration leaders are devoting their efforts to the passage of this unwieldy socialized housing bill which would do nothing to meet the demand for homes for more than a year or two or three. Yet, the home-building measure which would immediately start a flood of low-cost homes is held up.

(Mr. SHAFER asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 13 minutes to the gentleman from California [Mr. McKINNON.]

Mr. McKINNON. Mr. Chairman, in this country, we are ruled by a dictator.

Whether we like it or not, there is one ruler, one dictator, to whom both you and I must bow. We cannot long escape his edict and no revolution from his tyranny can permanently be successful.

That dictator, Mr. Chairman, is fact.

Fact has a way of upsetting our most cherished opinions, and fact sweeps away resistance like the atom bomb leveled Hiroshima.

The reason you Members are here this afternoon is because you pay homage to fact, because you want the basic information that will assist you in a wise decision on this public housing bill.

Let us see what Dictator Fact has to say about—

First, that this bill is socialistic and threatens free enterprise and our competitive system. Try to forget—if you can—those \$15,000 cracker boxes that were sold to homeless veterans under the shameful guise of free enterprise last year, and look deeper into the facts of the situation to see if the charge has any substance.

This public-housing idea is not new. The Congress passed a similar bill 12 years ago. What happened to private enterprise after 1937 in the home-building industry?

Well, by way of answering, let me point out first of all that the facts show that the projects did not go entirely to the big cities—another false charge of the opponents of this bill—but to many smaller communities. The records show that Austin, Tex., was the first approved project; that Charlestown, S. C., was second, and that—and listen carefully—and that of the 582 communities participating in the Public Housing Act of 1937—63 percent were communities under 25,000 population—and 86 percent of the communities that benefited were under 100,000 in population. So you can see that this bill, based upon the only reliable guide we have—the fact of past experience—is not a big city housing bill.

But let's get back to the first charge—that of socialism and the destruction of free enterprise. What happened to free enterprise in Austin, Tex., when public housing moved in? Did the private builder fold his ingenious organization and did the realtor join the unemployment lines?

Of course not. Facts show that private building did not decline, but increased. The building permits in Austin disclose that in 1935, building permits aggregated 803; in 1936, 895. This was before public housing. After the Public Housing Act in 1938, building permits in Austin, Tex., had increased to 1,287 units and in 1939 to 1,587—increases from 50 to 90 percent. By 1947—10 years after the first public housing bill—building permits that year in Austin were 2,234. Of course, there were other stimuli, but the point, as based upon fact, is that public-housing projects in Austin, Tex., did not dry up the construction of privately built homes—and the records show that Austin, Tex., is the rule and not the exception of all the other 528 communities that benefited from public housing.

In fact, if you trace actual case histories, I am sure you will find that some of the families now owning their own homes in Austin once upon a time were beneficiaries of public housing. By being exposed to the joy and convenience of a little decent housing, those who had never known what clean, convenient, and healthy surroundings were, were given a fresh start and a new hope \* \* \* and they became the customers of the private enterprise system and the living exhibits of American human engineering development.

#### WHAT ABOUT THE COST OF THIS BILL?

You are probably alarmed by the charges that this bill provides for a \$20,000,000,000 cost to our Government.



That is true—or more accurately, that is half true.

The total contingent liability of this bill as it now stands over the next 40 years is about \$15,000,000,000—but that is what it will cost if everything goes wrong.

We project the cost of any business operation upon the basis of the cost of a similar operation that went before. Taking the 1937 Public Housing Act experience as a basis, and adjusting to present-day costs and continuing conditions, H. R. 4009, as amended to 810,000 units, will cost this Government approximately \$7,000,000,000 over a 29-30-year period. That is approximately \$233,000,000 a year. This figure is based upon experience, upon the cold realities of fact. There is every reason to have confidence in it.

Of course, \$7,000,000,000 over a 30-year period is a tidy sum. These are the days when economy is expected and we must stand before the bar of public opinion to justify our actions.

We have a right to ask, and the people have a right to know, what return we can expect should we pass H. R. 4009 and start the \$7,000,000,000 program.

We cannot project precisely, but we can fall back again upon the facts as to what we now are spending for slums. Let us see what the facts show as to which is the most expensive—H. R. 4009—or the slums? This country—local, State, and Federal governments, plus the charitable and religious welfare agencies—are pouring not merely two hundred and thirty-three million a year but billions of dollars a year into slums in the form of fire and police protection, crime, and juvenile delinquency, broken homes, and the divorce mill, disease and hospitals.

Although slums and blighted housing make up about 20 percent of our city residential areas, they account for 45 percent of the major crimes, 55 percent of the juvenile delinquency, 50 percent of the arrests, 60 percent of the tuberculosis, 50 percent of all of the disease, 35 percent of the fires, 45 percent of the city-service costs, and yet these slums return only 6 percent of the real estate tax revenues.

Los Angeles, for example, pays five times more for fire, police, and health-protection services in the bad-housing areas than is required where there is good housing. Newark, N. J., found that it is paying out over \$14,000,000 a year more to maintain its slums than to maintain its good housing areas.

These are only two examples. But, the facts are the same wherever they have been gathered, and they are as true of the small towns as of the large cities. It is a misconception that slums are exclusively a problem of the big cities, and that they can be dealt with exclusively by those communities. Every American city, regardless of size, has its slums. They just are not as massive in the small cities as they are in New York or Chicago, where they fill block after block.

My brilliant colleague and esteemed friend, the gentleman from Illinois [Mr. O'Hara] yesterday convincingly revealed that the fire loss in slums is \$210,000,000

a year. The slums share of the total crime cost in our country is \$7,750,000,000 a year—and neither of these dollar costs measure the total cost—in humanity. But project the losses from fires, from crime, from health, and from broken homes, and you will agree, with the dictator fact, that H. R. 4009 is a piker when it comes to costs as compared with the slums.

You know and I know that any private manufacturing concern, owning a plant so wasteful and inefficient, would immediately tear it down and construct a more efficient and more profitable establishment. We, as Members of the board of directors of the largest corporation in the world, cannot afford but to do likewise.

There are some who argue that the families who live in slums are the wastrels whose improvident habits are beyond reclaim. The facts do not support this argument. Answer to yourself, which came first in our present generation—the slums or the individuals who live in them? The answer is obvious just as the facts prove that when these people are transplanted, most of them reach and attain the objectives and standards to which all Americans aspire.

The facts drive home that the time is past when slum housing can be considered significant only for those who have to live in slums. It is a problem that affects the whole country and must be dealt with on that basis.

It is not a question as to whether we can afford H. R. 4009—the facts emphasize we cannot afford to be without a public-housing program.

Opponents charge that the bill does not take care of all the slums—and on this one fact they are obviously correct. Unfortunately, we shall probably never eliminate all the slums anymore than we will eliminate all the vice of this world, but that does not give us the excuse for individual or collective immorality.

Opponents say that the private building interests will serve our housing needs if the Government will stay out of public housing. But in our hearings, the first vice president of the National Home Builders Association said that the lowest cost housing they could build required a minimum payment of \$29 a month—and that is under only the most favorable conditions. The average is nearly twice that high. The Census Bureau shows we have nearly 20 percent of our urban families making less than \$1,500 a year income—and while I wish to compliment the private building interests upon their recent accomplishments in the low-cost housing field, even they will have to admit that they cannot serve or take care of these extremely low-income groups—the one family out of every five. That is why we have slums, and that is why we need a public-housing program.

Opponents charge that the really low-income groups do not get the benefit of public housing. The facts show that they do. The very lowest income group—those on public welfare—are represented in every public-housing project. It varies from a low of 6 percent in the project at

Boston to a high of 39 percent at Seattle. But the main point about this value of public housing is that it provides for families with children—large families—the size of families that cannot find private housing. These large families are the future Americans. Can we afford to have them grow up homeless, hopeless, and bitter against the country that offered them no equality of opportunity? What kind of America are we going to have when most of the future citizens remember the signs “no children wanted” that closed the door of a home in their faces and left them in squalor and wretchedness?

And what about the charge that this bill builds a political machine?

I noticed a few weeks ago that Republicans and Democrats alike voted a pension bill for the veterans that—over the long run—costs more than H. R. 4009. They forgot the cry of economy there, because, I fear, they wanted the love of the veterans more.

The vote of the veterans, thank God, belongs to no party. That is because both parties rightfully are interested in the veterans' welfare.

I dare say, the same would be true of the poor and unfortunate if both parties took a sincere interest in their welfare.

The surest way to keep this housing bill from building a political machine would be to have the Republican Party join the Democratic Party in a sincere interest in the poor people. If you really are concerned about politics, then vote with us for human rights.

As Representatives of this great country, let us have the individual courage to face the facts. We can sit and do nothing and eventually invite socialism or a total state—or we can think and go forward on the historic lines of dynamic, progressive democracy.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

(Mr. LEMKE asked and was given permission to revise and extend his remarks.)

Mr. LEMKE. Mr. Chairman, let us reason together calmly as citizens of the United States and not as Democrats or Republicans. After an election we represent a great Nation and not a mere party. We have heard a great deal about common welfare; we are all for the common welfare of our great Nation.

We intend to make it still greater, and we shall do everything we can, but to follow everybody's advice as to what common welfare is would mean common destruction. We still reserve our right as individuals to decide whether the person who talks so glibly about common welfare knows what common welfare is as against common destruction.

On January 5, 1949, I introduced H. R. 853, which is a housing bill which would permit the people in the lower brackets to own homes even at the present high prices and to pay for them with a 30-cent dollar. I introduced that bill and asked for hearings but was ignored. I wrote at least one letter to the committee asking for a hearing, but never received any. I expect to offer that bill,



H. R. 853, as a substitute for the bill under consideration, H. R. 4009.

May I say also that my bill will create homes while H. R. 4009 just creates tenants. There is a vast difference between a homeowner and a tenant. The tenant, after all, becomes reckless and careless of other people's property, but he will cherish and protect his own home. For that reason I provided in this bill doing just what my colleague from North Dakota [Mr. BURDICK], wants done—which the bill offered by the committee fails to do—that is, create homeowners and make it possible for the people of this great Nation of ours to own homes of their own.

My bill provides, first, if you want homes, you form a little group. It is modeled after the Federal land-bank law. You form groups consisting of 10 or more members. When you form a group you get a charter from the Federal Housing Administration. When you get the charter you have a right to make a loan and get a home.

The bill provides for a loan up to \$15,000. Do you remember the wonderful showing we made during the depression in saving the homes of this Nation by making loans, and not by making tenants? It was by protecting the homeowners of America. That is what my bill does.

When you get this association formed and you have your charter, you make a loan and you get it at the rate of 2 percent, which is the interest rate that was paid by the Federal Government on the money it borrowed at the time I drafted this bill.

The bill provides that you may build a home up to \$15,000. As originally drafted it provided you should raise 10 percent of the amount you wanted to borrow of your own money, the feeling being that you ought to have some interest in your own home. I have been told, and it has been suggested to me, that we should require no payment up to five or six thousand dollars so that people in the lower brackets can get a home.

We provide further in the bill that you have 30 years in which to pay for it. Someone has suggested 20 years, and I have no great objection to amending the bill and making it 20 years in place of 30 years, because under this bill when you get the money at 2 percent you can pay for it.

We give you other advantages under my bill. We provide that any payment you make on your home will be deducted from your Federal income tax. Right here may I say that if the Federal Government would give up the withholding tax it is taking out of the salaries of Federal employees and the other workers of this Nation, they would soon be able to build their own homes and own them where they please, select their own architect, and select their own contractor. This would give them some independence and get away from regimentation. If my bill is not substituted for H. R. 4009, then the Federal employees and the employees in industry can expect an increase in the withholding tax.

I am sure most all of the Members have traveled through Chicago. If you have

not, when you do look at the Federal homes built by the Federal Government along the railroad tracks where there is a train every 5 minutes. It seems they want to kill the babies before they are born. That is not democracy, that is not permitting the individual home owner to select his own location. I can guarantee you no person who wants a home would select a site near a railroad track.

If it is his own home he takes an interest in seeing how it is built, which is also important.

Then we exempt these homes from taxation for 20 years until they are paid for. This will permit a person who wants a home to pay for it. We limit the provisions of the bill to individual homes, but we provide, also, you can have cooperative homes. A unit can be owned by an individual along the lines that apartments in Tilden Gardens are owned in Washington, D. C. You can buy a home there and it is as much yours as if you built it out on the prairie. The particular unit is yours.

We provide under such conditions a group of people can get together and build an apartment building of their own, have their own units and pay for it by lesser interest, by being tax exempt until the home is paid for.

We all believe in homes. Homes are the stability of our Government. If there ever is any danger of either communism or fascism in this country it will be the result of the lack of homes.

I will say frankly to any Member on this floor who owns a home in his city or town, if you were the only one that owned that home you would not be the owner of it very long. If the rest were all tenants, they would see to it that you also became a tenant.

The thing in favor of this bill is that we have a splendid example of how it works. The Federal Land Bank has been a success. I will admit that sometimes they foreclosed before they should, but we here in Congress can stop that. And, I want to say also that the loans made during the depression to the home owners in Chicago and elsewhere is what saved their homes, because I remember the time when I was called to Chicago to save several thousand homes. We succeeded by putting in a bill to Congress; that is all we had to do. We did not have to get it passed. The very fact that the bill was introduced restrained the bankers that wanted to foreclose.

Now, I have letters in front of me and I will just read a few excerpts from them. Here is one from Fargo, N. Dak., my home town:

DEAR MR. LEMKE: Thank you for your valued letter and copy of your housing bill 853. It is a great improvement over H. R. 4009.

My reaction is as follows, which you kindly mentioned: Good points, no regimentation—to build where he pleases—have his own contractors.

Here is another one coming from a prominent citizen in my State, in the city of Mandan, in the western part of the State:

Thank you for your letter of May 27 with reference to H. R. 4009 and for the copy of your bill H. R. 853.

I have carefully read your bill and I like it as being American in its concept and because it provides an answer to low-cost housing for those who need help in building a home and at the same time preserves the traditional individuality of the citizen by giving him the responsibility that he should have in the direction of his own efforts and desires and should preserve for him the dignity of his own freedom of action.

I am going to recommend consideration of your bill H. R. 853 to other Members of the Congress in the hope that it will receive the attention that I believe it merits and that it may be a means to the solution of this angle of the housing problem.

In conclusion permit me to say that I feel this bill meets with the present requirements and will make home owners in place of more tenants, and it will help the public welfare of this Nation not by giving things but by making the individual, at least, protect that which he gets and to pay for it under terms and conditions that would put it within his reach.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SPENCE. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, from the hearings before the Banking and Currency Committee and from the record of testimony that has been built up by the Congress during the 5 years of study it has given to the housing problem, we could expect to have available to us today as we consider the Housing Act of 1949 expert criticisms and constructive suggestions from those who are engaged in housing construction and finance.

Certainly there has been no lack of opportunity. Witnesses purporting to represent all phases of the housing industry, from the producers of building materials to home builders and mortgage lenders, have appeared before congressional committees during the long consideration of this legislation, not once but many times. Their testimony fills hundreds of pages of printed committee hearings.

In all this testimony, however, we have not had the kind of constructive criticism that would be helpful to this Congress in its efforts to grapple with this housing problem. What we have had, instead, are dogmatic broadside attacks on the substance of this legislation which has been developed after so much study and consideration—attacks which have disregarded the well-documented facts and attacks which have disregarded the critical housing needs of the American people. As these witnesses have appeared, one by one, before our committee, the voices and the words have differed but the arguments have been so similar I could repeat them in my sleep. If, anywhere, in all the industry testimony, there were any constructive suggestions, their point was completely submerged in the outpourings of distortions and misrepresentations.

Let us look at some of these arguments and the facts regarding them.

There is the argument that this legislation is not needed, that private enterprise is fully serving all housing needs. This argument completely ignores the fact that over 6,000,000 families in our



cities and towns, and many farm families live in slums or other bad housing because they can afford nothing better. It ignores the hundreds of thousands of families, many of them headed by veterans, who cannot establish homes of their own because they cannot afford the prices and rents at which houses and apartments are available. It glosses over the fact that the rate of housing production is declining not because these needs are not still urgent but because people cannot afford to purchase buildings when private builders insist upon making exorbitant profits.

The facts are that only through public assistance such as that proposed in this legislation can the needs of slum dwellers and other low-income families living in bad housing be served; that only the kind of a research program authorized in H. R. 4009 offers real hope that private enterprise, through lower costs, can broaden its markets and expand its production in relation to the needs of the people.

Then there is the argument that low-rent public housing will not serve poor families, but will compete with private enterprise. This argument ignores the fact that in the present low-rent public-housing program, the median income of tenant families last year was \$1,884 and that of families admitted to the projects last year was \$1,481—families who obviously cannot obtain decent housing in today's market. It ignores the several safeguards contained in H. R. 4009, including the requirement that rents charged families in public housing must be at least 20 percent below the lowest rents at which private enterprise, in the locality, is providing a substantial supply of decent, safe, and sanitary dwellings. Of course, if the real-estate lobby is concerned with protecting those who exact a profit from slum housing, what has been said is true. This program will compete with slum owners, and I think it should.

There is also the charge that under this program \$15,000 houses will be built for low-income families. That argument completely overlooks the fact that the \$2,500 per room construction-cost limit would be approached only in a few of the highest cost areas, that the general limitation is \$1,750 per room and that there are other requirements in the bill for economy and simplicity of design and construction. Never mentioned by these spokesmen is the good record of local housing authorities in the past of building public housing well below the maximum limits.

There is the additional argument that slum clearance and housing are the jobs of the cities and States. Completely overlooked is the fact that local public agencies established locally under State laws will do the slum-clearance and public-housing jobs under this bill, that the Federal Government's role will be to supply the financial assistance which past inaction and the overwhelming testimony of mayors, city officials, and others clearly demonstrate is necessary. This argument completely glosses over the fact that in a national economy, the States and cities are unable to tap taxable sources of wealth sufficiently to

finance these essential services, even if they have the constitutional or legal authority to do so.

Now I come to the patronizing concern which these industry representatives have for the costs of this program to the Federal Government. We have been told that this bill will cost sixteen to nineteen billion dollars. Actually, the out-of-pocket to the Federal Government over the whole period of 40 years will probably not exceed \$10,000,000,000 or an average of only about three hundred million a year. But these people never tell you that even their exaggerated estimate of the cost of H. R. 4009 for housing, which is of such vital concern to the internal security and well-being of the Nation is little more than we propose to appropriate in 1 year in military expenditures to protect us and our fellow democracies from potential outside enemies. And while they make every effort to sell you a house on the basis of its monthly costs, they seldom seem willing to talk about this bill on the basis of annual expenditures, on the basis of less than 1 percent of the annual Federal budget or 1 day's cost of the last World War.

And then we hear of this bill in terms of a gigantic Federal housing program, of Federal control and Federal dictatorship. Industry spokesmen somehow never seem to remember that the slum-clearance and public-housing programs are initiated and carried out by locally appointed local public agencies with the approval of local governing bodies, and that no local community is required to accept the Federal assistance which would be made available. They always overlook the overwhelming evidence from local officials that the present system of financial aid for public housing has worked out satisfactorily and that these same officials have pleaded for the additional assistance which this bill would provide. They never seem to remember that the results of the research program authorized under this bill will be available for industry, and for the local communities, to use only as they wish.

And then we come to the argument, well covered with mildew, that this legislation embarks the Nation on a program of socialism and communism. That puts a new political label on the 57 Senators—33 Democrats and 24 Republicans—who voted for the similar Senate bill and the 18 additional Senators who were paired for or announced for the bill. Those who put forward this argument would have you believe that assistance to local communities to clear slums and provide decent homes for low-income families is socialistic, but that underwriting the risks for billions of dollars of private construction and financing, as in the FHA and GI programs, is not socialistic. They would have you believe that public housing is socialistic while public schools, public roads, public water and sewer systems are not.

I ask the Members of the House whether they have found anything in these arguments which would help them work out a solution to the slums, to the bad housing conditions in cities, towns, and farms, and to the problem of housing

costs. After listening for hours to these industry representatives, I am forced to the conclusion that their only purpose is to oppose and obstruct, that they are more interested in maintaining scarcities and high prices than in working out the housing problems of millions of Americans.

As further evidence of that, I direct your attention to an editorial entitled "Stop the Public Housing Racket" in the May 16 issue of *Headlines*, weekly publication of the National Association of Real Estate Boards. The editorial was signed by Herbert U. Nelson, who for many years has been the principal paid executive of this association.

Mr. Nelson, of course, asked his members to write, wire, or telephone their Congressman to vote against this bill. He also announced that if this bill passed this organization would take immediate steps to seek its repeal or drastic amendment.

But also in this editorial Mr. Nelson, referring to H. R. 4009, said:

The Senate version of the bill was sponsored by 11 Republicans and 11 Democrats and has not, therefore, even the excuse of partisan advantage. It is political racketeering by power-hungry politicians who hope to pick up or control votes here and there.

I repeat those words, "political racketeering by power-hungry politicians." In all the words of abuse which have been applied to this legislation, I have never read anything so contemptuous of the 75 Members of the Senate, Democrats and Republicans, who voted for or were paired or announced for this legislation; of the Members of this House who are going to vote for H. R. 4009; of mayors and other local officials; of all the major veterans' and labor organizations, the church groups—Catholic, Protestant, and Hebrew—the women's organizations, and all the others who have supported and worked for decent housing.

Mr. Chairman, each Member, after consideration of all the facts presented in this debate or otherwise available to him, has a right to vote on this legislation as he sees fit; but I hope no Member of this House will permit himself to be influenced by the dogmatic and unsubstantiated attacks of the real-estate lobby and particularly by so contemptuous an attack on the motives of those of us in Congress, and of conscientious public officials and citizens throughout the country who feel that the enactment of H. R. 4009 is one of the most important things that could be done for the welfare of our people.

THE CHAIRMAN. The time of the gentleman from New York [Mr. DOLLINGER] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, I appreciate the time yielded to me by my friend from Michigan [Mr. Wolcott], who yielded me this time despite the fact that he knows I am opposed to his views on this legislation. I am always a little uncomfortable when I am opposing the views of the gentleman from Michigan,



because he is so often right. I think he is one of the soundest and ablest Members of this House.

Mr. Chairman, I am for a moderate plan of Federal assistance looking toward the solution of one of our foremost social problems, adequate housing for the American people.

I am not going to deal with this question in glittering generalities but on the basis of the definite and favorable experience of an American community with public housing.

The attack against housing has been twofold:

First. That it is socialistic; second, that it is expensive.

Mr. Chairman, in our complex society we are very frequently confronted with problems which a completely private enterprise system does not solve. If we relied wholly on private enterprise, we would say to our friends in the West, "Build your own dams and flood-control systems, or take the consequences." We would certainly say to our friends in the West and South, "Sell your wheat and cotton and corn and tobacco in a free competitive system for what it will bring, and do not ask the Federal Government to engage in any form of regulation for your welfare, or for the national economic welfare."

Indeed, if we carried this theory to an extreme, we would demand that the neighborhoods build their own roads and say, "If your house burns, put out the fire, because we consider that we should not extract contributions from society generally to establish a fire department at the common expense and for the common good."

Nearly every cooperative enterprise maintained at the general expense is a social movement. Socialism as we understand it is not a cooperative movement for the common good, but is a means of government control of the tools of production. Public housing is not socialism; and, if it is, we had better repeal about 50 percent of the statutes that have been passed in the last 40 years.

Nor can I understand the philosophy of those of my colleagues who will cheerfully vote the use of American money to build roads, bridges, and public works for the economic and social benefit of the people of Greece, and who raise the cry of socialism only when there is a program to benefit the people of America.

And with respect to economy, Mr. Chairman, economy as I understand the word, is to fight against the extravagant waste of public funds, and not to fight against the use of public funds for great social benefits. On the issue of economy, I will match my voting record against that of any Member of this House. Had my votes prevailed, our budget would be billions less than it is now. But there again, I cannot understand the philosophy of those who sat in this House a few weeks ago and rushed through appropriations of approximately \$25,000,000; who will build a \$65,000,000 home for the United Nations; who will on 10 minutes' consideration vote \$50,000,000 for the relief of Arabian refugees; who

would find no limit in their generosity to improve the breed of livestock, and yet who would choke over a measure which, I believe, will have a great deal to do with the improvement of the breed of human beings here at home.

Despite my promise not to discuss the general aspects of this question, I find that I have done so. Let me, therefore, quickly proceed to what actually has happened in a public housing project with which I am familiar.

The city of Atlantic City, which I represent, is not only the great seaside resort with which many of you are familiar. It is not only a famous boardwalk bordered with luxury hotels that you gentlemen see on your visit, but is at the same time a typical middle-sized American community. Atlantic City has two public housing projects. Public housing, Mr. Chairman, is not new despite the present outcry. It has been tried here and there since 1937. One of the projects is named Jonathan Pitney Village. This is a 333-unit residential construction, and I know you will be interested to learn that the rent-collection loss from April 1941 to the present date amounts to three one-hundredths of 1 percent. The other is called Stanley S. Holmes Village, with 277 dwelling units. That does even better. The rent-collection loss there has been one one-hundredth of 1 percent.

Mr. Chairman, many people seem to feel that public housing is another giveaway scheme. People pay rents for these dwellings, fairly substantial rents. And I doubt if any landlord can show a better percentage of rent collection than the figures I have just read.

Another false idea is that the maximum subsidies provided in the bill reflect the real expenditures to be made. It is our experience in Atlantic City that the maximum subsidy is never required. In one project, for example, the only year that the maximum subsidy was ever required was in the first year of operation, 1941-42, and that because the project was not opened until the year was half over. Indeed, in that project the overall figures will show that \$157,000 less than the maximum subsidy was required.

Now, Mr. Chairman, here is the interesting and significant fact. Out of the maximum subsidy which was allowed, the Atlantic City housing project paid interest to the Federal Government on its bonds in the amount of \$388,800. Deducting the interest that we paid from the total amount of Federal subsidy authorized, we can sum up that operation in this fashion:

Jonathan Pitney Village has operated 333 dwelling units of a low-cost rental housing project from 1941 to the present date. It has taken hundreds of families out of slums and restored them to self-respect and decent living conditions. The social good that it has accomplished to a degree can be actually measured in our police records, and even fire records; and the total net cost of this project to the Federal Government over an 8-year period was \$78,000.

Let me quote from a statement made by Robert A. Watson, the executive di-

rector of the Atlantic City housing authority. Mr. Watson says:

It is a recognized and acknowledged fact by all groups conversant with family problems that the crying need for additional low-rent public housing is one of the most vital problems facing our community today. As to the record of the present public housing in this community, the housing provided in Atlantic City under this program for the past 12 years offers tangible evidence of what public housing can do for low-income families in bettering their morale, incentive for improvement, and citizenship. Low-income families who needed assistance in meeting their housing need have amply repaid their use of public subsidy by the improvement in their family life, their greatly benefited health, the reduced incidence of juvenile delinquency, police and fire calls, and the self-evident fact as recognized by the school system, that the children of these families have shown such marked improvement after being removed from slum conditions into decent housing.

Incidentally, Mr. Chairman, let me inform the House that Bob Watson is a conservative Republican businessman, and is about as far from a Socialist as anyone I can think of. The housing commissioners there are highly respected citizens of the community. They are business people who thoroughly believe in the American system. They have made personal successes on the American system, and they are running this Housing Authority on an American system.

Mr. Chairman, the mayor of Atlantic City is the Honorable Joseph Altman. Mayor Altman is a lawyer, a life-long Republican, and I would certainly class him as an economic conservative. Let me quote briefly from a statement favoring public housing which the mayor recently made:

It is self-evident that private enterprise cannot profitably provide decent housing, new or old, for all of these families in Atlantic City at rents or prices within their ability to pay.

This is not only true now under the present high costs but has always been true to some extent. As has been proven, it is economically unsafe for private enterprise to provide such housing. The evidence is clear in the number of families now living in substandard housing who cannot afford to pay a sufficient rental for decent housing, which would enable private enterprise to realize a reasonable return on its investment. It is only just and equitable that private enterprise is entitled to and should make a profit on housing which is built at a capital risk. However, our present housing conditions are ample proof that low-income families cannot afford to pay adequate rentals which would encourage private enterprise to build for these groups. This fact has been clearly evident for several decades as well as now. As a consequence, Atlantic City shows increasing expansion of blighted areas and slum dwellings.

The mayor knows, and everyone there knows that the need continues to be acute. There are 1,200 applications on the waiting list of these projects now. It is certainly not true, so far as this area is concerned, that the housing shortage has ceased.

Mr. Chairman, I personally have been a conservative all my life. I represent a solid district. My people believe in the American system through and through.



There is not a handful of radicals in the entire area, but they are willing to open their eyes to changing conditions and changing methods, and so am I. If I thought that public housing would do irreparable harm to private enterprise, or that it was even a small step toward state autocracy, I would oppose it bitterly and persistently. I do not think any such thing. It has been operating in my area for a decade, and I assure you, Mr. Chairman, that the American way of life, and the true principles of our Republic, have been helped, not hurt by the operation.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. JONES].

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

[Mr. JONES of Alabama addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. MURRAY of Wisconsin. I call attention to the fact that according to the discussion of the previous speaker we have \$15,000,000 provided by the Bankhead-Jones Act so that we can get tenants on the farms and in this bill \$5,000,000 a year, or \$25,000,000 to build houses for the tenant farmers that are renting farms. In other words, we are driving two horses—trying to get people who are tenants to be farmers owning their own farms and in this legislation we are building houses for the people who own the land for their tenants to live in; is that right?

Mr. NICHOLSON. I think the gentleman from Wisconsin is right. The reason I am against this bill is that I think it sets up another bureaucracy in this country and whether a bureaucracy leads to some other -ocracy or -ism I am not interested. But I do know that the people who elected me and who talked with me on the street said to me, when I was coming down here, "For pity's sake, try to do away with these bureaucrats in Washington who are continually asking us for triplicates of this and triplicates of that and keeping us in such a state that we do not know whether we are obeying the law or not." It seems to me that when we discuss matters of importance like this, there is no necessity for accusing any of you of being Socialists or Communists. We should look at it as an economic measure. I do not think anybody objects and I feel that everybody is willing to do away with the slums in his city or if he happens to have them in his town. But there is a lot more in this bill than just the question of slums.

For instance, the gentleman from Alabama had just been talking about the poor farmers. It is my understanding—I do not know, I may be wrong—that farmers are the most prosperous people in this country today, and they have about one-fifth of the mortgages that they used to have through the years.

Therefore, they are five times better off today than they ever were before. I do not object if we can find a thousand sharecroppers and farmers who cannot use their worthless land and give them \$500. But there must be 100,000 of them. What are you going to do with the other 99,000? Why, it would take about 40 or 50 years, and by the time we got around to each poor farmer it would be longer than that. His grandchildren might come under the bill.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. JONES of Alabama. The situation would prevail with every other appropriation we make, as far as being neglectful of some Members. Under the Bankhead-Jones tenant purchase plan we only appropriated \$15,000,000, the gentleman will recall. So that does not make a sufficient amount of money available to every farmer who wants to own his own farm, but it is a step in the right direction.

Mr. NICHOLSON. That is right. Everybody realizes that if we pass this bill, all it takes care of is a small percentage of the people. Next year, we will raise it, because there will be a clamor, that some fellow's neighbor is getting something for nothing and he will ask for it, too. That is what this bill does. It destroys the initiative of the people of the country. It destroys their want of a home for themselves. As long as the Government or the city or the town or wherever they live furnishes the money, they will never build a house themselves. There will always be tenants. I think that in this body itself today and through the years a great many of the Congressmen, probably over 50 percent of them, sprang from a poor beginning, and they did not own a house but they were tenants. They got away from it because they wanted to build a home for themselves. Under this kind of a bill there is no incentive for anybody to build a house.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. NICHOLSON. This bill gives the Commissioner of Agriculture some more power. It puts him in the building business. We already have given him the Commodity Credit Corporation, put him at the head of that. He is at the head of the Department of Agriculture, which spends over a billion dollars. It seems to me we are loading the poor man up with too much work when we attempt to put him into the housing business. It puts me in mind of Mr. McAdoo, when they made him Director General of the railroads, when he was Secretary of the Treasury. When Mr. McAdoo handed the railroads back, the railroads were in debt \$4,000,000,000. They let the railroads run themselves this time and every one of them was rehabilitated and they all came out with a lot of money in their pockets.

Mr. JONES of Alabama. Will the gentleman yield again?

Mr. NICHOLSON. I yield.

Mr. JONES of Alabama. The gentleman would want to clothe the Secretary with good business practices as far as fulfillment of the obligation of the borrower to exercise such practice that the farm would make a return to where he would be able to pay for it? The gentleman would want that provision in the bill, would he not?

Mr. NICHOLSON. I should think that the Commissioner of Agriculture would let the banks handle it, or let this other department handle it.

Mr. JONES of Alabama. Of course, the gentleman recognizes that fact that if the borrower expected to borrow money from a bank, certainly there would be inquiries made as to how he would use that money and, in addition, the banker would pursue it to the end to see that his investment was kept intact.

Mr. NICHOLSON. Yes.

Mr. JONES of Alabama. So you are charging the Secretary with the same responsibility.

Mr. NICHOLSON. This bill gives to the Commissioner the right to hire engineers, the right to hire field secretaries, and the Lord only knows how many he will hire. He will hire all the Appropriations Committee will give him the money for.

Mr. JONES of Alabama. The gentleman is a member of the committee, and he heard Mr. Lassetter testify that in his opinion it would not call for an additional 10 percent.

Mr. NICHOLSON. I asked that question of everybody who came before the committee.

Mr. JONES of Alabama. The gentleman himself asked Mr. Lassetter that question.

Mr. NICHOLSON. Yes, and I did not get any satisfactory answer.

Mr. JONES of Alabama. I will be glad to read it to the gentleman.

Mr. NICHOLSON. Well, it did not satisfy me.

Mr. JONES of Alabama. Perhaps the gentleman could not be satisfied.

Mr. NICHOLSON. I want to call the attention of the Members of Congress to the fact that cost apparently does not mean very much. But we are going to be called upon to appropriate \$1,500,000,000 to arm Europe. I assume you will vote it. You have voted for everything that comes up here. Then we have \$500,000,000 coming in here for health and education, and you cannot vote against that, because the poor children will not have any education.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WOLCOTT. I yield the gentleman two additional minutes.

Mr. NICHOLSON. Mr. Chairman, in another couple of years it will be a billion; then it will be two billion; that is how these things work. I have seen them work for 25 years in my State government; and the Federal Government is no different. Can we keep on appropriating money this way? There is a limit somewhere. Does anyone argue to the contrary? There is no one who does not



know what happened to the franc, the mark, the yen, the sen, the lira, and many other monetary units in many countries; they fell so low that it took a wheelbarrow load to buy a pack of cigarettes. Our dollar can go down, and you know it can; its value is but 50 cents today. So you had better watch and be careful.

Mr. Chairman, it is not a question of money that is required to clear these slums. Let us take care of them at the city level, at the State level, in the areas where we live; let us not go down to Washington and have them put a little dribble into it, because that is all there is here. What they are asking you to do is merely to build 100,000 houses when private industry built a million last year. All they want to do is to get their foot in the door; then they will tell you what to do.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. MULTER. If I follow the gentleman's argument, I think he would advocate that we curtail our public-works program and do away with the Federal building of highways.

Mr. NICHOLSON. Listen! We assess a tax of a cent and a half against every gallon of gasoline that is used in this country. I do not know how many hundreds of million of dollars it amounts to, but that is where we get that money; we do not get it from a direct assessment on everybody; we take it out of the man who uses the roads. What is the gentleman talking about? Does not the gentleman know that?

Mr. MULTER. Is the gentleman sure about it himself?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

(Mr. PHILLIPS of California asked and was given permission to revise and extend his remarks.)

Mr. PHILLIPS of California. Mr. Chairman, we have an unfortunate habit—it has been more and more apparent in this session—of judging votes of this kind on the basis of some symbol: We are for housing, or we are against housing; we are for education, or we are against education. That is the pressure that is placed upon us, and that is the report that goes out from Washington. If you will read the Constitution of the United States, and if you will read the Federalist papers which described the discussions incident to the adoption of the Constitution, you will find that this was intended to be a body established under the form of government known as the republic. Representatives are supposed to come to Washington and decide all issues on what is actually printed in a bill, not whether, in this instance, we are for or against Federal housing.

I desire, Mr. Chairman, to speak to you about one or two details which are printed in this bill. This bill, for the first time, departs from the Constitution of the United States in an appropriation matter, and says that it is not necessary to bring the expenditure of the taxpayers'

money to the Committee on Appropriations. This says that the money shall be voted by the Congress in a bulk sum, that a demand shall be drawn upon the Treasury of the United States by the Housing Administrator, who is an appointed official; and that, therefore, no congressional committee shall have a check, an analysis, or a control over the expenditure of the funds. I suggest to you that whether you be for or against housing, you cannot, if you believe in representative government and the protection of the taxpayers' money, vote for this bill while that provision remains unchanged in the bill.

If you believe in constitutional government, if you believe that the reason this Nation is strong is because of our form of government, because of our checks and balances, the provision that the raising of funds must start in one House, that each House must check the other back and forth, then that provision of the bill alone should defeat it. That is very important. Only once before, in my knowledge, has the Congress been asked to do anything which approached this. That was in connection with the Bretton Woods agreement, when we were asked to vote money in a lump sum to be expended without further check by the Congress; but at that time it was placed in the hands of an agency which was a bank and which gave the lending of that money the same analysis and the same examination a bank places upon the lending of its own money. That was not a good provision then and I think this provision is very bad.

There are two minor provisions in the bill, perhaps minor in comparison with the other amendments, and since most of the other features have been pretty thoroughly discussed, I will confine my few remarks to these.

Section 208, introduced as I understand it without a great deal of discussion, or put into the bill without a great deal of discussion, has to do with the transfer of the operation of labor camps. These camps are presently in existence and are being operated. The original intent was that these camps should be for agricultural labor. May I say with great earnestness to you gentlemen who argue whether a country background or a city background is better in the United States, that you will not eat in either the country or the city unless you recognize the necessity of harvesting crops. The reason we have been able to maintain the excellent standard of living in the United States is because of the techniques that have been applied to the production, to the harvesting, and to the marketing of food, which makes it possible for us not only to feed ourselves but to feed the people of other countries.

It is absolutely necessary that this housing be maintained for agricultural labor. This amendment says it is no longer necessarily farm labor housing. It is to be placed in the hands of the Housing Administrator, although in many areas of the United States today this housing is managed by nonprofit associations of farmers. I am of the opinion, first, that a point of order might lie

against the entire section, but I would rather have it stand or fall upon its merits. I remind you that the President of the United States has within the past few days signed a bill passed by the Congress on this subject. It is my humble opinion as one Member that this section should not be in the bill. But if it is to remain here, if it is not to be taken out, and I would vote to take it out, then by all means it should be so amended that this housing remain farm housing and that the nonprofit associations of farmers in those areas where they presently operate them should continue to operate the projects as they do now for the benefit of the farm laborers and for the benefit of agriculture.

In the latter part of the bill there is one amendment which I say respectfully to the Committee on Banking and Currency contains a gimmick that I do not think they understood. I am not talking about the general provisions in the amendment, which begins on page 78, section 509. This was presented to the committee as an amendment affecting District of Columbia participation. I have no intent to argue that point. That may be good, I think probably it is good, but there is in that amendment a gimmick and that is the bypassing of the Subcommittee on Independent Offices of the Committee on Appropriations.

If you will turn to the hearings on the third deficiency appropriation bill, which comes up for consideration at 4 o'clock tomorrow afternoon, you will see that I referred to the matter there. I asked the District agency to say again that they have not furnished the subcommittee with information which the subcommittee requested for three successive years.

Once, when we refused to give the agency money without additional information, they tried to get it out of the Senate, and the Senate refused to give it. The second year, when we refused to give the money without the information for which we asked, the agency went to the District Subcommittee and asked for it there and were refused because of lack of jurisdiction. This year there has been slipped in between the lines of this amendment a provision by which an agency denied funds by one committee of the Congress can, by a circuitous route, get those funds from some other agency, which would leave the Congress no recourse but to replenish those funds. Last year seven of us on the committee, of which the gentleman from Massachusetts [Mr. WIGGLESWORTH] was chairman, were in agreement, and this year, with the gentleman from Texas [Mr. THOMAS] as chairman, five of us are in complete agreement and will offer an amendment which will not change the question of District of Columbia participation but will say that it is not the intent of the Congress of the United States that any agency of government shall bypass a subcommittee which is trying to secure information for which that subcommittee has asked for 3 years and been refused.

The CHAIRMAN. The time of the gentleman from California has expired.



Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN].

(Mr. KIRWAN asked and was given permission to revise and extend his remarks.)

Mr. KIRWAN. Mr. Chairman, I appear here to say a few words in defense of this act not so much because it is a national housing act but, just as important, because it is a national defense act. The Members of this House who voted in 1938 and 1939, starting with appropriations for the Army, the merchant marine, the Neutrality Act, the first draft, the extension of the draft, and finally the war, know that the many slums were created in this country through the passage of some of these defense acts. When the early settlers of the West built a fort, no matter what part of the country it was in, with a number of cabins inside of that fort, it was done for defense purposes. That is where they stayed during the night, and in the daytime they went out and planted their crops, but after they were safe and the Indians were driven farther westward, it did not take them long to get out of the slums of that day. They knew that they were not any good. The ones to benefit by this bill are not only the people living in the city slums. They are to some extent, yes, but not nearly as much as the farmers. The farmer is going to get, let us say, eight-tenths of the benefit of this bill. Why? Let me tell you. In the last year of the war we spent \$70,000,000,000. The gentleman from California [Mr. PHILLIPS] who just preceded me, said that we do not eat unless the farmers can harvest their crops. Well, during the war we voted on the floor of this House not to draft any more farm boys, because we had drained the youth off the farms and the crops could not be harvested. What happened? Did we have slums in the country? Sure, the farm boy walked into a draft board, and all the doctor had to do was to take a good look at him; he was well fed and he had rosy cheeks, and unless he had club feet, he was immediately put into the Army. But, not so with the boy from the slums. If he finally did get into the Army, they put him in a hospital, after which he was of very little use to the Army. I say to that extent the farmer benefited.

I say also that, if we pass this housing bill and give relief to the families on the farm, thousands of their sons can be kept there and not shot into the next emergency.

We were shy of manpower during the last war. They were shooting the 18-years-olds across the ocean, those that had only had 3 months' training, those that had the health to get into the United States Army. We spent \$70,000,000,000 in 1 year. Can we not spend a few billion dollars to correct that situation and give some degree of security to the children of today?

I learned a lesson at a naval base after the end of the war. The naval authorities these were giving a demonstration of jet planes for the Congressmen on Navy Day. I happened to be sitting at lunch next to the commandant of that base. I said to him, "Of course, you are

for compulsory military training that we are talking about now?" Surprisingly, he said, "No." I said, "Why?" He said, "After lunch I will show you why, and where you people in Congress are to blame."

He showed me three hangars there for housing airplanes. Each one of the hangars cost \$3,000,000. Then he took me over and showed me where they housed the boy that flew one of the planes, the one who was charged with the responsibility for that plane and the safety of all the crew. They housed him in what they called "Tarpaper Alley," where he was sweating all day and all night in the hot weather, just because the Congress of that day would not appropriate enough money to build a good house.

We air-conditioned the "Big Mo," as we used to call it, the battleship *Missouri*. We have everything in there cool and fine for the guns, but very little was done for the boys who man the guns.

That is why I am in favor of this legislation. I do not think that a man today in defense of doctors should be for socialized medicine. We should have gotten rid of the slums long ago. But we will be in here in a couple of weeks calling for legislation to bring about socialized medicine. It will have quite an effect on this country and it will cost billions and billions of dollars, if passed. If we had just eliminated the slums, that is all we had to do. It is not such a tough job, when we spend a couple of hundred billion to destroy, to make war, to defend ourselves, to find the right way of peace. Our forefathers found that out when they got out of the fort. Why cannot we find out today that the answer to disease, broken homes, divorce, insecurity, and communism is to build houses for our young people, to eradicate slums in our cities, and to give hope to these citizens of our great country who look to this Congress for aid and assistance to solve this problem for them? The Congress must face up to its duty and recognize its obligation to pass this measure now before us. Let us remember these forgotten people not tomorrow, not next week, but today.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

(Mr. CANFIELD asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, a cargo of strange and wild-eyed animals—some only a few days out of their jungle habitat—arrived at the United States quarantine station in Clifton, N. J., in my congressional district, on Wednesday of last week. There were 203 in number, to be exact, and they had made their trip from the Belgian Congo some 7,500 miles away by plane; their final destination, the Bronx Zoo. The quarantine station, embracing approximately 50 acres, strangely enough is located in the geographic heart of one of the finest and fastest growing communities in New Jersey and consists of a group of well constructed stone and brick buildings.

Among this shipment of animals to be given rare shelter and food at the station are okapi, duikers, chevratians, mon-

keys, flying squirrels, bush-tail porcupines, lizards, and horned vipers.

Dr. F. L. Herschenroeder, superintendent of the station, was quoted last week as saying that he was having quite a time with the new arrivals because "they've only been out of the jungle since Monday and they are just a bit wild." The animals, he said, were on a diet of bananas, sweet potato leaves, carrots and peanuts, and he emphasized that the latter must be roasted. "That's the way they seem to like 'em," Dr. Herschenroeder said, "so, for a while, we are going to give them whatever they like."

To many people in my area, veterans and others who today are without proper shelter, this story will not be so inspiring, so intriguing. But it is true.

Senator H. ALEXANDER SMITH and Senator ROBERT C. HENDRICKSON, of my State of New Jersey, voted for the Federal housing bill now before us and none dares to call them communistic or socialistic inclined. Yes, they were of the majority when the Senate approved the measure by a 57 to 13 vote. Nor is anyone here going to indict the American Legion, the Veterans of Foreign Wars, the National Catholic Charities, the Protestant groups, and labor organizations, supporting the bill, as communistic or socialistic.

The legislation before us will have its principal economic effect—as distinguished from its social effect—on one of the basic segments of our national economy, the construction industry. In the past, this industry has been highly susceptible to changes in the economic climate. It is a bellwether industry. Its high points rise above the peaks of other industries. But in its bad days, it usually drops to lower levels than other industries. Furthermore, its slumps come early, forewarning of coming declines in general economic activity. These characteristics of the industry point to the important role it plays in our national prosperity.

I raise this subject now because I know all of you have read the signs on the horizon that our postwar boom is beginning to go soft. Probably I need not remind you that the May figure for unemployment was set at the disturbing total of 3,289,000. The Bureau of Labor Statistics tells us that nearly a million more persons were jobless in May than a year ago. Only last Saturday, the Associated Press reported the widespread feeling among leading Government economists that unemployment would not stop rising when it hit the 4,000,000 mark. Indeed, if present trends continue, the jobless will number 6,000,000 in the last quarter of 1949, and reach nearly 8,000,000 by the middle of 1950.

These conditions have brought cries of despair from the chronic calamity-howlers. I do not share their view that disaster lies just ahead. I have faith in the vitality of America. My faith does not blind me, however, to the realities of the situation. I represent an industrialized district in the State of New Jersey, one of the States hardest hit by the current increase in unemployment. The other hard-hit States, I am told, are Pennsylvania, Illinois, Massachusetts,



Michigan, New York, Ohio, and California.

It seems to me that at this moment we must be concerned about the deflationary pressures that are obviously at work. Because we know now that a high level of construction activity always goes hand in hand with general prosperity, we would serve our country well by giving favorable consideration to a measure which would bolster that mighty stone at the foundation of our well-being.

The housing bill contains proposals which would have that salutary effect. The slum clearance and urban redevelopment plan contained in title I would be used to clear away the vast areas in our cities that are now left to the wasteful ravages of decay. With the help of limited Federal funds, it would write down the cost of this land to its true value. The process would release highly valuable tracts of land within our cities and make them available for new development, primarily through the enterprise of private businessmen.

Do not be misled by those who claim that the land thus made available would all become sites for public housing projects. This is not the case. The bill is very specific in providing that the reclaimed areas shall be redeveloped for their most appropriate uses. That would include new commercial areas, new industrial sites, new private residential developments, whatever might be locally determined to the best use for the land involved. However, it was used, this land would be transformed from a liability to the city into an asset, a new basis for wholesome and healthful civic growth.

The public housing provisions in title II likewise would be a stimulant to the construction industry. All the building contracts for public housing projects would go to private contractors employing local labor. The benefits from this work would flow through the whole fabric of the community. They would go to the materials suppliers, the materials producers, and, through the wages of labor, to businessmen of all lands—the grocers, the butchers, the landlords, the bakers, the clothing merchants. It would give new strength to the sinews of our economy, just as all productive activity does. There is also in the substitute bill, which I support, the addition of a program for a privately owned housing for families of lower income who constitute 20 percent of the almost 40,000,000 families in the United States. Ten Republican Members pioneered this provision for such families who are ineligible for public housing, yet cannot afford the private housing now offered for sale or rent. They are the families in the "gap" and include many veterans.

I mention these considerations because I feel they are in danger of being overlooked as we make our decision on this historic measure. In calling attention to them, I do not intend to minimize the social benefits that would result from these programs. I am mindful that they spell a new lease on life for our blight-stricken cities. I know it means a chance to live in a decent home to fami-

lies who have never known anything better than the degradation of the slums.

What public housing can mean to a family of low income is no mere theory to me. We have seen it work in one of the cities it is my honor and privilege to represent here. I speak of the city of Paterson, N. J. There we have a public housing project known as Riverside Terrace. It was built under the United States Housing Act of 1937. There 300 families who could not afford to rent the cheapest adequate homes available in the city have found a haven. They have modest accommodations suited to their needs and their incomes, something they had never known before. The city of Paterson has had an application on file in Washington for more than 3 years for assistance in providing 1,500 more units like those at Riverside Terrace.

The city of Passaic, which is also in my district, has yet to build its first public-housing project. But it, too, is keenly aware of its need for housing for its low-income families. It, too, has filed an application for 1,500 units. The need for them is desperate. The people of these two great cities are looking to us to help them solve a problem they cannot solve unaided.

I say they have waited too long. What manner of economy is it that permits the very heart of our cities to rot away before our eyes? What saving is there in allowing all new development to fly to suburbs, beyond the city limits, while the costs of running our cities rise and their revenues from taxable property decline? What good does it do to pinch pennies when children are growing to manhood in the slums, marked forever by the disease and frustration that flourishes there?

In the name of economy, we must act to rectify these conditions. We must act to save our cities and to rescue the young boys and girls who will be this Nation's future.

We have it in our power to do something constructive about these appalling things. It simply is not economical to delay. We cannot afford to wait longer. We have profit to gain here, in dollars and lives.

Mr. SPENCE. Mr. Chairman, I will not ask the next speaker how he stands on this bill. It would be quite unnatural and it would be a great surprise to me if he were not in favor of it, for his illustrious father devoted a great part of his outstanding life to the cause of human betterment and social welfare. It is a pleasure for me at this time to yield 5 minutes to the gentleman from New York, FRANKLIN D. ROOSEVELT, JR.

Mr. ROOSEVELT. Mr. Chairman, I had not intended to presume to speak in this Chamber for some time. But I beg your indulgence as I feel that I must speak out on this legislation because of my close association with its principles since the end of my service in the United States Navy.

As a member of many veteran and civic organizations, I have spoken on behalf of this legislation. As your newest Member, I come to you fresh from a campaign in which the good people of

my district made it crystal clear that the uppermost question in the minds of all is the disgraceful housing shortage which blights our land.

I leave the discussion of the technical aspects of this bill in the capable hands of my colleagues who have lived with this legislation during the last several months and I will confine myself to my convictions on some basic aspects of the bill.

On Wednesday a bipartisan group of Members of this body briefly visited the cities of New York and Philadelphia to see at first hand the appalling contrast of the existing conditions and a few of the public-housing projects. This was not my first visit to slum areas, but I can assure you that in all my visits to refugee camps in the Middle East and in western Europe, I have never witnessed such inhuman sanitary conditions as exist in the slums within 220 miles of this Nation's Capital. One of my colleagues who visited the DP camps in Germany stated that none of the conditions he had seen abroad equalled those of the slums of New York and Philadelphia.

These are the breeding spots of disease, of child delinquency and of our crime rate.

When you talk of costs, think for a moment of the cost of this legislation as compared with the ever-mounting expense to the American people of maintaining our tuberculosis hospitals, our insane asylums, our reform schools, and our prisons—a direct result of our un-American slums.

I can assure you that the children of the great Jacob Riis housing development in New York City will strengthen the fiber of our great democracy more than the unhealthy, the unhappy, and the inhibited graduates of our slums. I can assure you that the family, which is the core of our American society, will be a firmer bulwark of our cherished freedom when it is decently and respectfully housed than when it is crowded into our squalid squabbling tenements.

And so, to those who worry about the cost of this bill, I simply say, we can no longer afford our slums and we cannot afford not to pass this legislation.

I have heard it said that this bill is socialistic, and that it will make political slaves of the people who live in the housing it will make possible.

Yesterday, I asked a young lady, who is a tenant of one of the New York City housing projects, whether she felt that she was in any way a ward of the Government or that her right to vote and to express herself was in any way controlled or directed by her Government. She looked at me almost incredulously and said "Why Mr. ROOSEVELT, that's a silly question. I am an American and I am and will always be just as free as any other American."

In my limited experience, I can remember that almost every legislation of recent years which has sought to serve the interests of the people instead of the interests of the few, has always been tagged by the same old gang as socialistic. I say simply that the vast majority of Americans who clamor for this legis-



lation are not now and never will be socialistic. That the senior Senator from Ohio [Mr. TAFT] is not now and will never be a Socialist.

In short, the slums of America are breeding spots of communism, and in passing this legislation we will be striking a blow against socialism and communism and for our free-enterprise system and our American democracy.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROOSEVELT] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I have listened with a great deal of interest to my new colleague, who is my neighbor in New York, on the other side of Central Park. I heard with satisfaction his comments about slums, and the necessity for doing something about them. Let me say I am wholly in accord with him, and I think a great many Members of this House are, likewise, on that point at least.

Sometimes we learn something worth while from the newspapers. Sometimes we are brought face to face with realities from the headlines alone. For some 16 years the administration in control in Washington has operated on the simple principle that you can fool enough of the people enough of the time to continue to get yourself elected. No more perfect example of that and the practice of that principle can be found than in the field of slums and slum clearance.

Year after year delegations from Congress and elsewhere visit slums; they tell us that something must be done about it, and we all agree. This morning in the New York Times and other newspapers we read of another congressional visit to the slums, the slums of the great cities of New York, Philadelphia, and elsewhere. The unpleasant and the impossible living conditions were pointed out, and a demand was made that something be done about it. And yet, I defy any Member of this House to point to a single word in the pending bill that requires the clearance of a single slum. So far as slum clearance is concerned, this bill is a fraud, a delusion, a sham, and a complete deception of the American people; it is not a slum-clearance bill. So, let us get down to business, Mr. Chairman; let us face the reality. If the American people want slum clearance, if we must have some kind of housing action, if circumstances demand it at this session, then for goodness' sake, let us be on the level; let us give them a slum-clearance bill; let us give them a slum-clearance bill within the means of the taxpayers of the United States to pay under the present burdensome conditions in which we are living.

On the same page that told the story of the visit of the Congressman to the slums of New York, Philadelphia, and elsewhere, there appeared a story from the other end of the Capitol. I think it quoted the Secretary of State as asking for an additional billion and more dollars to commence rearmament of western Europe. Not far from that

story, in the same newspapers was a statement of the recently retired ECA minister to England, T. K. Finletter, Esq., who had just left the White House, stating that Great Britain was in grave need and would need greater aid; in fact, in the last day or two there have been several inspired stories in the press indicating that there might be another serious economic and exchange crisis in Britain. All of which points only to greater demands upon the United States. In view of all that, in view of the prospect of growing rather than of declining economic burdens upon the Treasury of the United States, we have simply got to scrutinize all these new spending programs with the greatest of care; we have got to keep them to an irreducible minimum; we have got to authorize less money on some of our domestic programs than we might like to. There is not any likelihood of declining foreign demand or domestic military demand; the likelihood is all the other way. Somewhere the shoe has got to pinch. If national security is the basis of our foreign commitments, then the only place that we can exercise necessary caution and restraint is here at home.

Last January I introduced in the House a bill relating solely to the clearing out of slum areas and the construction of buildings in those slum areas for the uprooted residents. It is a straight slum clearance bill; it strikes at the very heart of this problem. It will channel such money as we spend to the most important, the most vital, and the most dangerous part of our whole housing problem. In amount, it will authorize grants to local agencies of \$200,000,000 a year maximum for a period of 10 years, that is, a Federal total of \$2,000,000,000, a very large amount, Mr. Chairman, even today, but not nearly as large as the astronomical commitments proposed by the Administration or committee bill. Moreover localities and States must put up \$1 for each two Federal dollars. Thus the total aggregate amount of money made available under the bill would be three billion.

My bill is a moderate bill, it is a reasonable assumption of obligation over a period of 10 years by outright grant to local communities, to be matched by them for the purpose of clearing slums and the building of homes to take the place of the slum homes that are eliminated.

Mr. Chairman, I intend to offer this bill as an alternative or as an amendment to the existing administration bill. It meets all of the requirements of slum clearance; it recognizes the limitations imposed upon us by the enormous financial burdens to which the Government of the United States is inescapably committed, largely on account of the military and foreign aid accounts.

This bill limits spending to slum areas and nowhere else.

It offers an opportunity to Members of this House to vote for a careful, intelligent, reasonably limited, moderate slum clearance bill that will make a start on this problem, but will not commit the United States to the stupendous sum over a period of 40 years as the administration bill does.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield to the gentleman from New York.

Mr. JAVITS. Has the gentleman made any estimate as to how many housing units can be constructed in each year and in all the 10 years under his bill?

Mr. COUDERT. That would depend entirely on the estimate you may make as to the cost per unit. If you take the cost per unit at \$10,000, you will divide \$3,000,000,000 by \$10,000 and get the result over the period.

Mr. JAVITS. It is \$3,000,000,000?

Mr. COUDERT. Three billion dollars. The bill requires a one-third contribution from the local communities and States, which adds one billion to the Federal two billion.

Mr. JAVITS. All of the money in this bill will be used to construct housing. I thought the gentleman said it was to finance slum clearance.

Mr. COUDERT. The money will represent the contribution of the Government of the United States to the local agencies for the purpose of accomplishing the rehabilitation of deteriorated areas and the construction of homes to take their places. How the money is used, what part of it is used for apartments or the tearing down of old apartments or clearing of streets is immaterial. It is the Government's grant or contribution\* to the over-all ultimate purpose.

Mr. JAVITS. Will the gentleman say then that at the very maximum if not a penny were used for the clearance of slums out of the total sum allocated you could not possibly build more than 300,000 units in 10 years?

Mr. COUDERT. Unless you brought the cost down to what the administration estimates, say, \$8,000, which would be \$3,000,000,000 divided by 8.

Mr. JAVITS. You could not spend a penny for slum clearance?

Mr. COUDERT. Yes. If the administration bill as amended to conform with the Senate bill is enacted, and 810,000 units are built over 6 years, what proportion of the total eligible families of some ten or twelve million will be housed in those units?

Mr. JAVITS. I would say more than twice the proportion provided by the gentleman's bill.

Mr. COUDERT. I agree it would be a larger proportion, but no bill that is before this House is going to touch more than an insignificant proportion of the families entitled to consideration under terms of the bill. Moreover, States and localities are free to undertake slum-clearance projects on their own responsibility in addition to any projects aided by Federal funds.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DAVIS].

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, our plan of government contemplates three separate and independent branches, the legislative, executive, and



judicial, the purpose of which is to provide a system of checks and balances, each upon the others. As long as each of the three branches retains its separate and independent status, and meets its responsibilities, our prospects of continuing as a free people will remain good.

The executive department has at its disposal the Army, Navy, and Air Force to maintain its authority and prevent encroachment by the other two branches of Government.

The judicial department has all the courts of the land, together with the prisons and penitentiaries, the marshals, and other enforcement officers, to maintain its independent status.

The legislative department has no Army, Navy, prisons, or enforcement officers to maintain its independent status or to prevent encroachment upon its jurisdiction by the other two branches of Government. It does possess, however, a powerful means of preserving its very necessary influence in our Government. That powerful weapon is the authority of Congress over the purse strings of the Nation. That authority was placed in the legislative department of the Government not for the aggrandizement of Congress, but for the benefit of the American people. It was placed in the hands of Congress as one means of protection of the citizens against possible oppression and injustice.

It is our duty, and it is our responsibility as Members to Congress, to retain that authority, not for our own benefit, but for the benefit of the welfare of the people whom we represent.

One of the objections which I have to H. R. 4009 is that it provides, by its own terms, for a complete surrender to the executive department by Congress of the last vestige of its power over the purse strings, so far as the problems of slum clearance and public housing provided in that bill are concerned.

If H. R. 4009 passes and becomes law, the power of Congress to supervise the spending of money will be gone, insofar as the slum clearance and public housing which this bill provides is concerned.

I want to deal for a moment with the method by which the money is provided to finance slum clearance and public housing in this bill. For slum-clearance loans the bill provides a maximum amount of \$1,000,000,000. This provision is in subsection (e) of section 102 on page 7 of the bill. The administrator of the housing and home finance agency will not have to come to Congress, or the Appropriations Committee for one dollar of that money. Under the bill he may, with the approval of the President, issue his notes, in blocks of \$250,000,000, a quarter of a billion dollars, at the time, and the Secretary of the Treasury must buy them and place the money in the hands of the administrator. Subsection (f) on page 8 of the bill, beginning with line 23, directs the Secretary of the Treasury to purchase any such notes and obligations of the administrator.

The bill provides \$500,000,000 for capital grants, in subsection (b) of section 103, on page 10 of the bill. The Administrator will not have to come to Congress for one dollar of that money. This

bill authorizes him, with the approval of the President, to enter into contracts to make capital grants in aggregate amounts of \$100,000,000, which may total \$500,000,000 which much be paid at all events. Beginning with line 24 on page 10 the faith of the United States is solemnly pledged in this bill to the payment of all capital grants so contracted for by the Administrator.

So, arrangements are thus made for the Administrator to obtain the entire \$1,500,000,000 this bill provides for slum clearance purposes, without ever again calling upon Congress for its assent or concurrence in the spending of this money. So far as the slum clearance provision is concerned, therefore, this bill completely surrenders the authority of Congress over the expenditures, to the executive department.

Now, insofar as the public housing provisions are concerned, in subsection (h) of section 204, on page 38 of the bill, the Authority is given the right under this section of the bill to raise money up to \$1,500,000,000, not by coming to Congress for an appropriation, but again by issuing notes, this time without specifically requiring the approval of the President. This is hedged about only with the restriction that the notes shall be in such forms and denomination, with maturity dates, and with such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury.

The same subsection, beginning with line 10 on page 39 of the bill, directs the Secretary of the Treasury to purchase this \$1,500,000,000 of notes, which Congress again will have no voice or part in issuing, or in spending the proceeds.

The remainder of the funds for public housing under this bill, the maximum authorized amount of which is \$16,000,000,000, may be provided at the maximum rate of \$400,000,000 per year, as provided in section 205 of the bill on page 41, beginning with line 14. Contracts for these annual contributions, which are limited only to \$400,000,000 per year may run for a period of 40 years, as is provided in subsection (e) of section 204, beginning with line 9 on page 37 of the bill.

Section 205 of the bill which authorizes contributions of \$400,000,000 per annum for the 40-year period, amends subsection (e) of section 10 of the United States Housing Act of 1937 which contains the provisions that the faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section.

So, H. R. 4009 provides in great detail the methods and machinery by which Congress at every step and stage of the procedures will be completely bypassed, and will have no further voice in the slum clearance and public housing provided for in this bill.

A strong appeal has been made for this bill on the basis that one of its primary aims and principal purposes for the elimination of slums and blighted areas, great stress has been laid upon the need for slum clearance. Some of the strongest appeals for endorsement of this legislation have been based upon the

need for abatement and elimination of slum sections. Shocking pictures have been circulated, portaying horrible slum conditions. Heart-rending speeches describing slums and slum dwellings have been made. Pages and pages of space have been used in describing in great detail slum dwelling conditions and the tragic consequences which result from them.

I think that it is reasonable to expect that this bill, insofar as it deals with slum clearance and the elimination of blighted areas, would be a bill scientifically designed and perfected, in all its parts and provisions, not to weaken or repeal existing provisions of law provided for slum clearance. I think it is reasonable to expect, on the other hand, that this bill would strengthen and add to those provisions already on the statute books to aid the elimination and abatement of slum areas.

Does the bill do this?

In spending these huge sums of money without the supervision of Congress, a long list of undertakings is set forth in subsection (c) of section 110, beginning with line 22 on page 20 of the bill. In addition to the acquisition of a slum area for redevelopment, it is provided that an area which has merely deteriorated may also be acquired. Other than that, it provides that an area which has not deteriorated but is merely in the process of deteriorating, may be acquired, if predominantly residential in character. These are loose and elastic terms, and will justify the acquisition of many classes and descriptions of property which could not in any sense of the word be called slums. The authority does not end there. It provides also for the acquisition for any other deteriorated or deteriorating area which is to be developed, or redeveloped for predominantly residential usage. This opens up another classification of property not coming within the slum classification which may be acquired with these funds. The list does not end there. It authorizes the acquisition of land which in no sense of the word could be regarded as slums. It authorizes the acquisition of land which is predominantly open, and justifies its acquisition on such grounds as obsolete planning, diversity of ownership, deterioration of structures or of site improvements, or which otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential usage. This all-inclusive and elastic language is not considered sufficient, for the subsection proceeds further to authorize the acquisition with these funds of open land necessary for sound community growth which is to be developed for predominantly residential uses.

This is all provided in title 1 of the bill, which is that part of the bill creating the machinery for the so-called slum-clearance program.

I think it would be reasonable to expect that title 1 of the bill, the slum clearance title, would contain all the major changes in the existing slum-clearance law.

Such is not the case, however.



There is one major change in the existing slum-clearance law which is contained in title 2 of the bill, the public-housing title, and it is carried in that title of the bill in such fashion and manner that one reading the language of the bill would have no notice or warning whatever that it makes a major change in existing slum-clearance law. It is carried under the heading "Technical amendments," section 207 of the bill, beginning on page 46. I think it is reasonable to expect that technical amendments would group together such amendments as have no real bearing on the merits of the legislation, but nearly perfect it from a technical standpoint.

But, upon checking the various technical amendments under section 207, such is not found to be the case.

The Housing Act of 1937 carried provisions in two places specifically and positively prohibiting the erection of newly constructed dwellings for public housing unless the Authority eliminated slum dwellings substantially equal in number to the newly constructed dwellings.

H. R. 4009 does not retain this requirement of eliminating one slum dwelling for each new public housing dwelling erected. On the contrary it repeals that very effective slum clearance requirement, and it does not repeal it by setting out the language to be repealed, or placing the reader on notice that that requirement is being repealed. It repeals it by the use of language in subsection (d) on page 47 of the bill beginning with line 9, which reads:

By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period.

So one of the most effective provisions previously contained in the law to aid slum clearance is stricken from the law, and it is stricken under the guise of a technical amendment, not even contained in the slum clearance title of the bill.

H. R. 4009 is intended to set the pattern, and fix the policy, for the future, insofar as slum clearance and public housing are concerned. The pattern set and the policy fixed by this bill is not that approximately one slum dwelling will be eliminated for each new public housing dwelling constructed. On the other hand, if this bill is an indication of what may be expected, the repeal of that existing provision in the law would indicate that the Housing and Home Finance Agency does not intend to follow such a policy, but on the other hand desires to be freed and relieved from that requirement of the now existing law. The pattern set and the policy fixed, also is to the effect that the agency shall not have to come to Congress for its money, and that the control of Congress over the purse strings shall be surrendered entirely, insofar as the activities of that agency are concerned.

I feel also that this is not by any means the conclusion or end of the public-housing program. This bill, as it was introduced, provided for only 1,050,000 dwelling units. As proposed to be amended, it provides for only 810,000. Proponents

of this legislation have stated in advocating it, that there are 6,400,000 families who live in inadequate, unsafe, unsanitary dwellings, and who need housing of the nature contemplated in this bill.

If this bill should pass it would be only the entering wedge. Having committed the country to the policy laid down in this bill, I have no doubt that Congress would be called on, again and again, for new and additional programs of construction to be carried on under the policy fixed by this bill now being considered.

Instead of the program costing the American taxpayers the maximum which it could cost them under this bill, of approximately \$9,500,000,000, calculated on the same basis provided in this bill, it could cost the American taxpayers to provide the 6,400,000 dwellings said to be needed, approximately \$105,000,000,000 in public-housing contributions, and in loans and grants for slum clearance.

Our public debt now is approximately \$252,000,000,000. It is said that we are threatened with deficit financing this year. The administration is now proposing new and additional foreign spending programs. If we pass this bill, and commit ourselves to this policy, I greatly fear that it means financial disaster.

However, I do not rise merely to oppose House bill 4009. I also want to see slums eliminated and blighted areas corrected. I also want to see low-rent housing made available for every family which needs low-rent housing. I simply do not believe it is necessary to spend the huge sums of money provided for in H. R. 4009 in order to realize these objectives.

In addition to elimination of slum areas and providing low-rent housing, I also want to see veterans' housing provided for, and farm housing provided.

To that end I have introduced a bill, H. R. 5085, which I believe will provide all necessary slum clearance, ample low-rent housing for needy families, low-cost housing and rental property for veterans, and farm housing for those in the rural districts.

H. R. 5085, I believe, will do these things at approximately one-twentieth the cost to be incurred under H. R. 4009.

From 1933 until 1937 the Federal Government, through certain of its administrative agencies, financed, owned, and operated a small number of residential units in various parts of the country primarily in an effort to provide employment.

In 1937 the Seventy-fifth Congress enacted the United States Housing Act which was the first major excursion by the Federal Government into the field of providing direct subsidies for the construction and operation of public-housing units in this country. Approximately 214,718 units were constructed, with Federal subsidies extending over a 60-year period.

The Federal Public Housing Commissioner, Nathan Straus, for several years succeeding 1937 sought additional appropriations for an extension of this program, but no Congress since then has

provided funds for further construction and subsidization under this act.

During the war, of course, a very considerable number of temporary and permanent housing units were constructed by the Federal Government under the Lanham Act to provide for the housing needs of the in-migrant war worker. The several hundred thousand temporary units so provided will be demolished, and the permanent units must be sold if the provisions of the law are carried out.

In any event, H. R. 4009 is the first bill to reach the floor of the House since 1937 which would extend the prewar public-housing program under the United States Housing Act.

Proponents of H. R. 4009 are urging the measure as a long-range slum clearance and public-housing measure on the grounds that it is highly necessary to establish a national housing policy and to extend the public-housing program. Opponents of the measure are equally vigorous in their denunciation of the 40-year commitment of the Federal Government to very substantial outlays of tax money and to the over-all socializing effect of the erection, ownership, and management of housing accommodations by Government bodies.

Neither side in this controversy has suggested any common ground upon which they might meet in order to improve housing conditions for our less fortunate citizens. H. R. 5085, which I introduced on June 9, is an effort to provide a sensible, sound, and financially feasible measure upon which a common agreement may be reached. It provides certain Federal aids and subsidies in the matter of slum clearance and urban and rural housing.

It provides a means for veterans to acquire or rent housing under the most advantageous circumstances. It provides the means for achieving exceptionally low rentals for families of low income but within the framework of our private-enterprise system. It recognizes the need for assisting with Federal aids our farm population in the securing of proper shelter. It establishes an extensive program of housing research in order to make available improved materials and methods and to reduce housing costs. It is frankly a middle-of-the-road proposal.

As a short-range rather than a long-range proposal it has two primary advantages:

First. It will initiate activity in all of the phases of housing provided for in H. R. 4009. This would be accomplished, however, without the enormous outlay up to \$19,000,000,000 of which \$16,500,000,000 is an outright, nonrecoverable subsidy, as is involved under H. R. 4009, substituting a form of local and Federal income-tax assistance which will encourage the construction of truly low-cost rental housing for families of low income through utilizing the techniques and skills of our vast private-enterprise housing industry.

Second. Its total cost through Federal grants and subsidies would be less than one-tenth of the cost of H. R. 4009. In these days of mounting Federal debts and continual demands for ever increasing Federal expenditures, this is a fea-



ture which should commend itself to all Members of Congress. I am convinced that this alone should assure its approval by the Eighty-first Congress. If the program proves successful in operation, the Congress can approve additional expenditures within the limits of sound discretion.

Those who support this proposal rather than H. R. 4009 will know that they have initiated a comprehensive and far-reaching attack on our entire housing problem. At the same time, they will be assured that they and each succeeding Congress in the years to come will have an opportunity to change, improve, and supplement the provisions of this measure as our unfolding experience with such a program may dictate. I submit that this method of approach presents a sensible, affirmative, and progressive method by which we may attack this problem without committing ourselves and future Congresses to a long-range program which future events may prove unwise or in need of major change. This measure will start the ball rolling, so to speak, without our surrendering control of its destination.

It is now in order to discuss in some detail the provisions of H. R. 5085 as compared to those of H. R. 4009.

#### TITLE I. SLUM CLEARANCE

In H. R. 5085 a program of Federal assistance for slum clearance is provided to aid the States in acquiring blighted areas and clearing away the slum properties. The land would thus be made available for redevelopment with new dwellings, commercial properties, public parks, and such other uses as may be determined as best in accordance with a redevelopment plan to be prepared by the local community. The assistance would be in the form of loans from the Federal Works Agency in an amount equal to the estimated value of the land when cleared, which loans would be repaid in part out of the sale of the cleared land. Where, as would usually be the case, the value of the cleared land is less than the cost of acquisition and clearance, the Federal Government would contribute by way of grant one-half of this difference or "write-down," and the other half would be paid in cash by the State or the city or county in which the land is located.

As a condition of receiving these loans and grants, the State would have to assure payment of its grant of 50 percent out of local funds or proceeds of bond issues. So far as possible, such cleared land would be sold promptly for private taxpaying ownership. In the event that the land more properly should be used for public purposes, it would be sold to local or State agencies. Further, as a condition of receiving this assistance, the State, city, or county in which slum or blighted area to be cleared is located would be required to have and enforce laws or ordinances prohibiting the renting or occupancy of residential property that is dangerous to health or unfit for human occupancy by reason of its physical or sanitary condition. This means that effective health and sanitary code enforcement would be required so that

the balance of housing available to the public would be kept in a safe and sanitary condition.

This bill would authorize \$350,000,000 to be expended by the Federal Works Agency for these purposes. The proceeds of the sale of the cleared land would be covered into the Treasury and would not be made available for additional loans and grants without further authority from the Congress. This would give the Congress the opportunity to review progress being made in this slum clearance program and to extend it or change it as experience dictates.

H. R. 4009, on the other hand, approaches this problem in a somewhat similar manner, but would place the slum-clearance and redevelopment program in the hands of the Administrator of the Housing and Home Finance Agency and would provide him with \$1,000,000,000 in a revolving loan fund and \$500,000,000 for outright grants. This substantial sum would be expended in this fashion: Loans by the Federal Government equivalent to the acquisition and clearance cost of the slum land to be cleared would be made only to local public agencies and made payable in 40 years. The \$500,000,000 in grants would be used to pay two-thirds of the difference between the acquisition cost and the final sales price of the land for its new purposes, i. e., "the write-down." The remaining one-third would have to be borne by the city.

Basically, the primary differences between H. R. 5085 and H. R. 4009 with respect to slum clearance are:

First. The program set up in H. R. 5085 would be placed in the hands of a nonhousing agency and the Federal Government would deal directly with the States rather than with local public agencies.

Second. The amount of money involved is considerably less in H. R. 5085 because it is contemplated that Congress would prefer periodically to review the program rather than to permit the Housing and Home Finance Administrator to expend \$1,500,000,000 without further control. The commitment under H. R. 5085 would be \$350,000,000 subject to congressional appropriation as against \$1,500,000,000 in H. R. 4009, which is made available upon the signing of the bill without any congressional control.

Under my bill, the principle of Federal assistance through loans and grants for slum clearance would be established, but the control of Congress would be assured and the separation of housing and urban redevelopment functions would be maintained. The well established matching formula which is so well known in public roads legislation would be used. Further, the States being required to contribute substantial sums would have a greater incentive to insure the most economical and efficient use of the funds.

I think that Members of Congress will agree that something in this nature must be done to begin the very necessary and socially desirable clearance of our Nation's slums. At the same time, in venturing into this unexplored territory of Federal Government participation in

local affairs, we should make a modest beginning and be sure that the Congress at all times has an opportunity to review and consider the actions taken under such a program.

#### TITLE II. HOUSING FOR FAMILIES OF LOW INCOME

Realizing the necessity of providing really low-rent accommodations for the lower income group of our people, H. R. 5085 encourages private enterprise to do this job by the provision of several incentives. Private enterprise will construct a very large volume of rental housing if it is sufficiently encouraged to do so. Title II of this bill encourages such construction by permitting the owner to depreciate such rental property for Federal income tax purposes over a period of 120 months, which is equivalent to 10 percent per year for a period of 10 years. In addition to this, the municipality, or other local taxing unit, would be required, as a condition precedent to receiving such Federal tax benefits to agree to freeze taxes on the real estate involved for a period of at least 10 years, at the level at which it was taxing the property at the time the land was acquired for purpose of erecting the housing projects. This tax freeze feature has been adopted in New York, New Jersey, and Massachusetts. After the expiration of 10 years, both the municipality and the Federal Government could receive full taxes.

Projects built under this tax abatement and accelerated depreciation plan could be constructed only under a certificate to be issued by the Federal Housing Commissioner. This certificate would assure that the proper tax abatement arrangements had been made and that the owner of the property would make the accommodations available only to families of low income who had been certified by the local governmental agency administering public welfare as being in need of accommodations at such low rentals. The certificate and all these tax advantages would be revoked if any of the conditions were violated. Thus, the assurance that no undue advantage would be obtained by the owners of such projects would be provided by Federal Housing Administration supervision of the plan. Preference in occupancy would be given to veterans of World War II.

Title II of H. R. 4009, on the other hand, would authorize the erection of 1,050,000 public housing units within the next 7 years at a maximum permitted annual cost to the Federal taxpayer of \$400,000,000 per year for annual subsidy contributions for the next 40 years, or a total of \$16,000,000,000. In addition to this Federal subsidy, local communities in which such projects are erected would be required to abate all real and personal property taxes on this public housing and receive instead only very small token payments of 10 percent of the shelter rents in lieu of taxes. Based upon past experience, if these projects were privately owned these taxes would amount to from \$8 to \$10 per unit per month.

Bonds issued by local housing authorities in effect are guaranteed as to principal and interest by the United States



and are exempted from all Federal income taxes.

Let us see how H. R. 4009 and my bill, H. R. 5085, compare in results in providing low-cost housing for the low-income family when measured by the cost to the local and Federal taxpayer. Cost levels are under last year's peaks in the construction industry as in other industries. Private industry in most areas now should be able to produce rental housing for approximately \$7,000 a family with land adding another \$700 for a total of \$7,700. Surely, if public housing can, as it claims, attain an average cost of \$8,465 a unit, private enterprise can, and I have full confidence that it will, beat such costs by at least \$700. The normal rent on a project at such cost would be approximately \$80. However, if such a project were to take advantage of title II of my bill, I estimate that savings of approximately \$33.74 a month could be effected through the benefits of the increased depreciation rent and the real estate tax freeze feature. This would reduce the rent on such a project to \$46.26. If it becomes possible to attain a cost of as low as \$6,000 a unit on land costing \$600, rent of approximately \$40 a month could be achieved.

At a time when every thoughtful citizen is concerned with the huge and increasing Federal outlay, we must give the most careful consideration to meeting our needs in a manner that will result in the least expenditure by the Government. We must also exercise the most extreme precaution so that Government actions encourage and not discourage private business operations. The plan for housing for low income families provided in title II of my bill meets both those tests.

#### TITLE III. VETERANS' HOMESTEAD ASSOCIATIONS

H. R. 5085 incorporates a provision for the establishment of Veterans' Homestead Associations similar to those proposed in the Veterans Homestead Act bill (H. R. 4488) in the Eightieth Congress sponsored by the American Legion. This bill was favorably reported by the House Veterans' Affairs Committee but no further action was taken in the last Congress. The purpose of the formation of such nonprofit Veterans' Homestead Associations is to permit our veterans, through their own efforts but with the assistance of the Federal Government, to acquire or construct housing for sale or rent at actual cost.

Loans would be made available to such Veterans' Homestead Associations through the Administrator of Veterans' Affairs at low interest for amortization over a period of 40 years where the housing constructed or acquired is to be held by the associations for rental to veterans. Where the housing comprises multiunit structures to be sold or held on a cooperative or mutual-ownership basis, the loans would be for periods up to 32 years. Two hundred and fifty million dollars would be made available to the Veterans' Administrator for the purpose of making such loans. Individual veteran purchasers would finance their homes through local financing institutions. Veterans purchasing single-unit housing from an association could obtain loans

guaranteed by the Veterans' Administration under title III of the Servicemen's Readjustment Act, amortizable over a 32-year period.

In order to assure that the housing so constructed would be sound and yet not overly expensive, the associations would be permitted to construct or acquire units averaging not more than \$10,000 per unit and would be required to sell or rent such units to veterans at prices reasonably representing the cost to the associations. The associations would be chartered, regulated, and supervised by the Administrator of Veterans' Affairs. Five or more veterans of World War II could apply for permission to form such an association. A veteran desiring to become a member would be required to deposit \$100 with the association. Although the net incomes of the associations would be exempt from Federal taxation, and State and local taxing authorities would be required to treat them on the same basis taxwise as similar nonprofit corporations, the associations and the individual veteran purchasers from them would be required to pay normal property taxes.

It is expected that an association would actually undertake its construction through private building contractors under firm contracts which would eliminate speculative profits, sales expenses, and so forth. This would make each unit constructed available at substantially lower prices than comparable units now available to veterans. The monthly carrying costs or rentals on the individual units would be substantially lower due to the reduction in the initial cost and to the longer repayment periods authorized under this bill. Proper safeguards to assure conservative and efficient operations would be assured by the prior review and approval of each project by the Administrator of Veterans' Affairs.

In order to offset the present scarcity and high cost of improved land, the bill authorizes the Federal Works Administrator to aid State and local governments or associations by 50-percent grants for streets, water, and sewer, and other similar facilities wherever the Veterans' Administrator finds that such community facilities are necessary for the effective use of the housing to be erected or acquired by Veterans' Homestead Associations. This provision will have the effect of substantially lowering the first cost of the home as well as other charges imposed upon veteran home owners for public facilities. An appropriation of \$50,000,000 is authorized for the purpose of these FWA grants.

H. R. 4009 does not contain a similar provision designed specifically to help veterans help themselves. To my mind, the plan proposed in H. R. 5085, tailored to fit the housing needs of our young veterans, is the American way of assisting our war heroes. The veterans' preference provisions of H. R. 4009 in connection with the public-housing title merely gives them a preferred status in units subsidized directly by the taxpayer. There is no incentive, no self-help, no dignity of individual labor and effort. I am sure that American veterans are not basically in favor of doles or hand-outs; all they want is an opportunity to acquire a home of their own or decent rental ac-

commodations within their means. The sponsorship of this plan by the American Legion is ample evidence of this very worth-while objective on the part of veterans.

#### TITLE IV. HOUSING RESEARCH

In recognition of the need of continuing research looking to improved building materials, techniques, and with the objective of reducing housing costs, I have incorporated a housing research title in H. R. 5085. The National Bureau of Standards within the Department of Commerce has long conducted pure research in many fields including that of housing. Under my bill, there would be established within the Department of Commerce a housing research unit broadly authorized to undertake an expansion of such research in cooperation with other agencies of Government, with State or local governments, educational institutions, and non-Government research and technical organizations. It could make contracts for technical research work to be done by such cooperating agencies, such contracts not to exceed 4 years in length.

The existing operations of the Bureau of the Census and of the Construction Division of the Bureau of Foreign and Domestic Commerce—which have over a period of years produced economic and statistical data of great importance to the building industry—would be expanded. These existing bureaus would be authorized to conduct studies into housing supply, its condition and characteristics, costs, and related economic factors.

Under H. R. 4009 the Housing and Home Finance Agency is granted the authority to conduct pure technical research in the field of improved building materials, techniques, and methods; to conduct inquiries into housing economics, statistics, and related matters; to determine housing needs and demands; to investigate and report on supply, finance, site planning, utilities, zoning, and a broad field of similar subject matter. The Administrator then would be required to disseminate such information, views, and conclusions as might be the product of this investigation and research. Such dissemination would be without regard to the usual restrictions placed upon Government agencies with respect to use of the mails for sending out their findings. Further, the Administrator would submit to the Congress estimates of urban and rural-housing needs and recommend legislative action. The HHFA Administrator would be authorized to use the facilities of other departments and agencies of the Federal Government in such work.

It is my sincere conviction that the research provisions of H. R. 4009 are undesirable because they place in the hands of the Housing and Home Finance Agency—within which function the constituent agencies—the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Authority—the entire responsibility for collecting, evaluating, and disseminating all information on housing for use by the public and the Congress. I believe it is unsound administrative and legisla-



tive practice for these operating agencies to have this responsibility. The conduct of pure research and the collection of information of an economic and statistical character should remain in the hands of research and statistical agencies currently carrying on such work. Under my bill their functions would be expanded and improved rather than setting up new bureaus and divisions, and thus duplicating established agencies' work. An operating agency should not have control of all information concerning the progress and accomplishments of programs under its jurisdiction.

If the research provision of H. R. 4009 is adopted, the Congress and the public will be able to obtain only such information, shaped and modeled in such manner, as the personnel of the operating housing agencies may determine. I submit that this is unsound governmental procedure. There would be nothing under H. R. 5085 to prevent the HHFA, the Home Loan Bank Board, the FHA, and the PHA, issuing such statistical information as may apply to their particular operations. On the other hand, placing all information-gathering facilities in such agencies is tantamount to inviting nothing but favorable reports of progress being made and probable future requests for an expansion of governmental functions in housing.

#### TITLE V. FARM HOUSING

The program for loans and grants to provide decent, safe, and sanitary dwellings for farmers provided in H. R. 5085 is very similar to that set forth in H. R. 4009, except that the grants in my bill have been increased to \$75,000,000 from \$62,500,000. The loans would be \$325,000,000 instead of \$250,000,000, as provided in H. R. 4009. The program would be under the administration of the Secretary of Agriculture and would provide loans to owners of self-sustaining farms on a 33-year 4-percent basis where adequate private financing is not available. Where the farm is potentially self-sustaining with improved farm management, the Secretary may make a 33-year 4-percent loan with annual contributions from the Government for 10 years in an amount equal to the interest and one-half of the principal payments due within that period. In a case of farms which have no practical prospect of being self-sustaining, the Secretary of Agriculture may make loans or grants or combinations thereof for the purpose of farm-house repair and improvement—but not new structures—not in excess of \$1,000 for any one dwelling or \$2,000 for any one owner, of which not more than \$500 on any one dwelling may be an outright grant.

The Secretary may provide architectural and advisory services in connection with the provisions of this title. Preference would be given to veterans in the distribution of benefits. Of the expenditures under this title, not more than 20 percent could be loaned or expended in any 1 year and not more than 10 percent in any one State.

Aside from the increase in the authorizations, there are some improvements in the language suggested by the National Grange.

#### TITLE VI. DISPOSITION OF WAR HOUSING

This title, which has no comparable provisions in H. R. 4009, deals with the disposal by sale of the permanent housing accommodations constructed by the Federal Government under the provisions of the so-called Lanham Act, Public Law 849, Seventy-sixth Congress, and certain other companion legislation. The Federal war housing was transferred from the Federal Works Agency to the jurisdiction of the Public Housing Agency by Executive Order 9070 of February 24, 1942, which has continued the management of these properties ever since. The total number of units involved is approximately 190,000.

The buildings constructed for one or two families present no disposition problem since they can and should be sold for individual owner use. The multiunit family buildings should prove attractive for purchase by an individual or by families joining in cooperation ownership of the building. Section 4 of the Lanham Act, as amended, expressed the clear intent of Congress that such housing should be sold as expeditiously as possible. Unfortunately, the disposition of these properties has not gone forward in the prompt fashion intended by Congress. In the 4 years since the war, only approximately 24,000 of these units have been sold. A number of others have been transferred to the armed services. Thus, on the basis of its present record it will take the agency about 30 years to effect the entire disposal program.

In order, therefore, to reaffirm the congressional intent expressed in the Lanham Act, H. R. 5085 would require the transfer of these Government-owned war-housing facilities to the Federal Works Agency for expeditious sale for cash not later than December 31, 1950. This title is almost identical to H. R. 3492, Eightieth Congress, which passed the House June 18, 1947. In order to assure that the Federal Government receives the reasonable value of these properties, appraisals are required to be made by the Federal Housing Administrator. Veterans preference would be granted first to veteran occupants, next to veteran nonoccupants, and then to non-veteran occupants. Purchases could be financed under applicable provisions of the National Housing Act (FHA) on the basis of 90 percent of appraised value with mortgages up to 25 years or under the Veterans' Administration guaranteed mortgage plan.

The proceeds of the sale of these Government-owned houses would be made available to the Federal Works Administrator as additions to the sum provided in title I of this bill for the purposes of slum clearance.

#### SUMMARY

In introducing H. R. 5085, I have sought to accomplish the purposes sought to be accomplished in H. R. 4009 without obligating the Federal Government to such immense long-term financial commitments as \$19,000,000,000 under H. R. 4009. H. R. 5085 contemplates a maximum Federal expenditure of \$1,050,000,000 in loans and grants—one-twentieth of the cost of H. R. 4009.

As mentioned before, H. R. 5085 reserves unto Congress the rights of review

and control so fitting and proper in the launching of a program of Federal aid and subsidy in this important field of housing. So far as possible, my bill seeks to utilize private enterprise machinery rather than setting up new bureaucratic agencies or unduly expanding existing ones.

H. R. 4009 would set up within the Housing and Home Finance Agency a new Director of Slum Clearance and Urban Redevelopment. It would establish a housing research section in the same agency, and it would vastly expand the present Public Housing Administration. These administrative agencies would require substantial additions to the public pay roll, and the administrative costs would grow and grow.

The Members of Congress who sincerely desires to see affirmative action begun to start the progressive elimination of our slums, who desires to assist low-income families in securing shelter within their means, who sincerely wishes to help the farmer improve his housing condition, who recognizes the need for sound research in housing methods, materials, and techniques, and who sincerely desires to help the veteran help himself, I invite you to support H. R. 5085. The bill has been offered in a sincere effort to provide a common ground upon which the Members of Congress may unite in launching an adequate and yet financially feasible housing program. I sincerely hope that Members from both sides of the aisle will join me in supporting this measure.

*Supporting data for computation of rent savings attainable by higher income tax depreciation deduction and real estate tax freeze.*

A. \$7,000 UNIT CONSTRUCTED ON LAND COSTING \$700	
1. Depreciation at 10 (computed on construction cost).....	\$700
2. Normal depreciation at 2½ percent.....	175
3. Reduction in net income for income tax purposes effected by increased depreciation.....	525
4. Income-tax saving (computed on basis of 25 percent corporate tax and 25 percent personal income tax on dividends to owner).....	230
5. Resulting monthly rental saving (½ of item 4).....	\$19.16
6. Saving through abatement of realty taxes on improvements (assuming \$5,000 valuation and \$35 per thousand tax rate as typical).....	\$175
7. Monthly rental saving through tax abatement (½ of item 6).....	14.58
Total saving through depreciation and tax freeze (items 5 and 7).....	33.74
8. Rental capitulation:	
(a) Normal economic rent on project under FHA section 603 with total cost of land and buildings of \$7,700 per dwelling unit.....	80.00
(b) Less savings as above.....	33.74
(c) Low rent attainable if total savings are deducted.....	46.26

NOTE.—This computation is conservative in that it has used the minimum tax rate—



25 percent—whereas most corporations of this type are subject to a 38 percent corporate income tax. Moreover the income-tax saving to the owners on dividends received from them from the corporation has likewise been computed at the low rate of 25 percent although most stockholders in such corporations would be in higher-tax brackets. Such portion of this increased depreciation as is in excess of actual earnings of the project has been computed as a loss permissible as a reduction for income-tax purposes to the owners of the projects.

The estimated savings through real estate tax freeze is likewise on a reasonably conservative average since the valuation for real estate tax purposes and the tax rate per thousand in many large cities would be considerably higher than those used above (item 6).

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. O'SULLIVAN].

(Mr. O'SULLIVAN asked and was given permission to revise and extend his remarks.)

Mr. O'SULLIVAN. Mr. Chairman, I rise in support of H. R. 4039, because I believe that a national emergency exists now, and has existed for some past years, as far as housing in the United States of America is concerned.

During the war years, of course housing, except for certain Government purposes, was halted and after the shooting war ceased private industry endeavored to do its best to satisfy the urgent housing demands, but has been unable to do the job in a satisfactory way up to the present time, and it seems reasonably probable that in the foreseeable future private industry although exerting its best efforts cannot satisfy satisfactorily the most urgent housing demands.

The one thing to my mind, which should have been done after the shooting war ceased, was to have had the President of the United States of America declare a national housing emergency and thereafter by proper legal means make necessary and essential public housing a reality. The President, however, having abundant faith and confidence in the legislative branch of the Government, let the Congress of the United States first seek to solve the problem.

However, the lower branch of the Eightieth Congress found itself impotent to be even a foster father to the needed legislation, and today in the Eighty-first Congress a certain segment of its membership wants to persist in the sinful role of this legislative barrenness.

Let it be said to the everlasting credit of the majority of the other body, that 2 years ago, and now, it has handled satisfactorily to the Republic, without regard to political affiliations, and has joined hearts and minds and hands in an effort to give the people a workable Government housing program.

During the last national campaign the matter of public housing was brought directly to the attention of the people, and the majority of the voters, in effect, approved of such a program by defeating those who were unwieldy clamps upon the wheels of public housing progress and in their place and stead the people sent to this Congress many Representatives who had pledged themselves to support the passage of a housing law.

I was one of those new Representatives and I know and realize that I have a mandate from the people of my congressional district to work for and vote for this most necessary and entirely proper legislation.

Much harsh language has been used by the opponents of this bill and the claim is freely and blindly made that the legislation is socialistic, stateistic, or paternalistic; that there are no slums; that we can't accord to do it now; that it is the entering wedge which will endanger and eventually change our present form of government; that it is similar to putting the camel's head under the flap of the tent during a storm, and then hoping against hope, that the human occupants of that tent will have the courage, fortitude, and the strength to keep the rest of the camel out of that tent. Other less serious charges are made, including the claim that no necessity for public housing exists now, and that if it does exist, it is not so serious but what private industry can take care of the demands in due time.

It might be well for us to consider for a moment what persons or forces appear in these roles of objectors.

When the Nazarene walked the earth (and I am sure all of us will agree that if we do not accept Him as the Son of God and the Third Person of a Trinity, we will all agree that He was a great teacher and the greatest Christian law giver since the year 1 of our present calendar) you will recall that when the woman was taken in sin and was brought before Him to be dealt with, one of His very first inquiries was concerning the whereabouts and identity of her accusers.

It might be very enlightening right here now, to ask the question, Who are the accusers of this public-housing law and where are they?

Firstly, some of the accusers are right here in Congress and a goodly number are in the ranks of respectable civil life—in business and in noble professions. I believe that these men are acting fairly and honestly in their efforts, but like the well-fed old king of ages past, they can see the handwriting on the wall, but they cannot read or interpret it, and instead of being like the silly, old gluttonous king, they do not call in some holy and pious Democrat to interpret the message on the wall of the legislative banquet room.

No amount of argument will ever convince these men they are wrong. Their unfortunate plight might be described by the old saying, "A bigot's mind is like the pupil of the eye, the more light you cast upon it the more it contracts."

No, the only thing in God's world which will make some Congressmen understand this problem is the ballots of a well thinking, well informed electorate at the next congressional election, and of course then the messages, as has been so often the case in the past, will surely come too late.

The other accusers—those in civil life—will go on unwhipped of the justice of the people who vote.

The other group of accusers—the second section or segment of the opposi-

tion—are the real estate lobby and other hand and glove lobbies, the National Association of Manufacturers, the national and local chambers of commerce, the National Association for the Preservation of Constitutional Government, and other organizations and persons engaged in loaning money on real estate, to builders, and to those engaged in kindred money-lending ventures, and the extreme right wingers, especially in the Republican Party, who have seized the control of that party to the real danger and menace of the Republic.

I do not want to be as unkind as some of my colleagues have been to this two prong, or many pronged perhaps, group of accusers and opposers, but I do want to say that the good American men and women who have been drawn into this unholy opposition are to be pitied rather than censured. The other horn—not of the dilemma on this occasion—but something worse, should on the contrary be censured and not pitied. They are the direct descendants and belief of those individuals who were scourged from the temple by the Nazarene and need a little verbal whipping right now in order to be put in their proper places.

These selfish, heartless and otherwise inconsiderate money-blinded men, although they may suffer no visible punishment here, will, I am sure, like Tantalus of old, in Hades, long for, and reach for, the enticing cup to quench their inordinate thirst, and the cup will move away from their grasp guided by unseeable hands. These men, I am sure, will suffer punishment enough both while living and after death.

In fancy now I fear that we do not understand these people. I am with them in their well-appointed homes. They do not see the beautiful furniture and furnishings, the works of art and all of the things therein provided to make that home livable, they see only dollar signs. When they look at their wives or children, or others who are near and dear to them, they see only dollar signs. When they retire after a grueling, selfish day to their downy beds they see and dream only of dollar signs. When they eat their meals they do not see dishes and edibles and potables, they see only dollar signs. When they drink their cool and stimulating, or hot and stimulating drinks, they see only dollar signs. When they go to their godless work in their magnificent offices they do not see furniture, furnishings, people, papers; they see only dollar signs. When they drive through the streets and countrysides or visit their country and other select clubs they do not see birds, bees, insects, trees, green-sward, shrubbery, or flowers; they see only dollar signs. When they listen to the songs of persons or birds they do not see persons or birds; they see only dollar signs, and hear the jingle of money bags only.

Perhaps, also, when they die and through some poor man's or poor woman's prayers are privileged to come before God and attempt to view the splendors of heaven they will not see God or experience any beatific vision, all they will see will be only dollar signs. The



music and the songs of the celestial choir will not be heard by them but instead they will hear only the jingle of money bags. My, what a profitless, useless, and devilish way to live on earth and exist in eternity.

How about the claims of these misty-eyed, cobweb-befogged minds and ignoble-hearted people?

This housing program is no more socialistic, stateistic, or paternalistic than the Government road programs, the public school systems, the city light, gas or water systems, the fire departments. The building of interstate bridges, the national farm programs, the national banking acts, insuring bank deposits, school-lunch programs, Government relief and many other real, decent similar programs. Yes, the old money bags, the old dollar-sign visionaries, and old money bag musicians, raised the same witch-beguiling cries against these programs as they are now raising against this housing program. Verily, where there is greed there is no heart and no vision and where the people have no heart and no vision they perish.

The claim that there are no slums is so terrifically untrue that I need waste no time refuting it. Slums are a reality; not a fancy.

The claim we cannot afford it, is untrue. We cannot afford not to do it. It will help to stem the tide of adult crime, juvenile delinquency, disease of men, women, and children, and will save the Nation thousands of man-hours of work and much money. It will give to the suffering, underprivileged, new hope and new vision. A proper home, like proper clothing and proper food, has never bankrupted or added to the governmental problems of any entity of government, and have never destroyed a race, or a people, or a government.

A writer whose name I cannot recall has aptly stated that it was the crime of the ages to permit children to be born in the reeking, rotten slums, where the pleasant sunlight never comes, where all are starved for food, and starved for air, and starved of the right to live as people and required to revert to the foul conditions of cavemen and cave beasts.

I now wish to quote from the poem of James Oppenheim entitled "Slums":

In the dusty glare of a humid morning,  
The slow horse-trucks get in each other's way,

The drivers lash and curse,  
The rough-paved streets are sticky with flies,  
The hucksters shout, the fat dirty women  
scream in the crabbed bargainings:  
Filth shoves against filth, and crying children  
are yanked by the arm and told  
to "Shut up!"

One sees too the swindle of housing:  
Vast populations are broom-swept into this  
industrial devastation:  
Lying tissues of plaster, brick and wood  
And this acreage swarms with neglect.

The factories vomit their poisonous smokes  
in the very faces of the people:  
Dirt lies where it fell: the forlorn smoke-  
blackened trees shrivel and wither:  
And at dawn, in the refuse heaps, one sees  
mangy dogs like jackals nosing for morsels.

Yes, humanity in the gross is ugly, dirty and  
abhorrent:

War almost seems as a necessary cleansing  
of this abscess:

As if Earth had a carbuncle on her smooth  
and beautiful flesh.

Among all the animals, man is the dirtiest  
and cheapest and ugliest:

Even a coyote has bright burning eyes, lithe  
health and a clean fur:

Even a hog is enamoured of sunshine and  
has a rock-strong natural huskiness:

What have we done with ourselves, we of the  
race of Ulysses, David, and Roland,

That thus in the mass, we appear such  
refuse?

This housing legislation is not the entering wedge of any un-American "ism." It is legislation properly in keeping with the welfare clauses of our Constitutions, State and National, and no amount of argument on the part of inordinate greed or extreme right-wingers, and their unfortunate dupes, will ever change my mind on the real American purpose of this most needed and worthy legislation.

The necessity of public housing is real, and private industry cannot do the job. It is as a fagged-out boy trying to do the work of a seasoned man. I shall not require it any longer to be a "brute for punishment." The Society for the Prevention of Cruelty to Animals might interfere if we do not step in at this time with proper, manly aid—with public housing.

This housing bill is in no wise unconstitutional or contrary to the law of the land, and I defy the opposition to prove their contentions that it is such.

On the contrary it is in keeping with the ideas and thoughts of the great Thomas Jefferson.

Some time ago I chanced to visit again the Jefferson Memorial in Washington, D. C., and on one of the walls these great words of his are carved which today are so pertinent:

I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind as that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

The other arguments made against this bill are entirely too puerile to deserve attention. Now, who are the people who are for this bill? Some of them are the following: American Legion; Veterans of Foreign Wars; American Federation of Labor; Congress of Industrial Organizations; League of Women Voters; Congregational-Christian Churches of the United States of America. Council for Christian Social Progress of Northern Baptist Convention; Women's Division of the Methodist Church; United Council of Church Women; Division of Social Education and Action, Presbyterian Church; National Council of Negro Women; National Board of the Young Women's Christian Associations; National Confer-

ence of Catholic Charities; National Council of Jewish Women; National Association of Parents and Teachers; National Urban League; National Association of Rural Housing; National Farmers Union; International Association of Machinists; National Lutheran Council; American Veterans Committee; Jewish War Veterans; AMVETS; United States Conference of Mayors; American Municipal Association; American Association of Social Workers; American Council on Education; American Home Economics Association; National Women's Trade Union League; National Association of Municipal Law Officers; National Federation of Settlements; American Council on Human Rights; Family Service Association of America.

The memberships of the organizations supporting public housing totals over 60,000,000.

What do the people, who are not prompted by selfish impulses to lend their support to H. R. 4009, have to say about this legislation? The other day I received the following communication from a truly American organization which is so understanding, so human, and so Christian-like that I commend it to you for your earnest consideration.

[The Board of Christian Education of the Presbyterian Church in the United States of America, division of social education and action]

PHILADELPHIA, PA., June 2, 1949.

MY DEAR CONGRESSMAN: Below you will find a copy of the action of our national body on the subject of the International Children's Fund. This action was taken on May 25, 1949, at the regular meeting of the General Assembly, Presbyterian Church, United States of America. This body is made up of over 800 commissioners representing about 8,500 churches throughout the United States. Respectively submitted.

FERN M. COLBORN,  
Assistant Secretary, Division of Social Education and Action, Presbyterian Board of Christian Education, Presbyterian Church, United States of America.

#### INTERNATIONAL CHILDREN'S FUND

"United Nation's Children's Emergency Fund: With \$100,000,000 authorized, and \$75,000,000 appropriated on a matching-formula basis of 72-28 percent, the United Nations Children's Emergency Fund has in its year and a half of operation given food and medical care to over 4,000,000 children of 20 nations. We urge our State Department to make every effort to continue this program through the United Nations. To this end we recommend that the remaining \$25,000,000 of the \$100,000,000 authorized be appropriated for this purpose. We also recommend that the campaign for funds be continued again this year by voluntary contributions for the support of the homeless, hungry, innocent victims of World War II, and we recommend that this action be transmitted by the stated clerk to the State Department."

We therefore support the Bloom bill to extend the International Children's Fund appropriations for 1 year and request that it be amended so that a working matching formula fair to all countries may be agreed upon.

Many other church bodies agree with the foregoing and are marching with them hand in hand. The following excerpt from a letter I received is enlight-



ening as far as those interested in the need of this housing bill are concerned:

My children have been eating in restaurants, poorly nourished because of no place to cook, no place to play. They are becoming juvenile delinquents. We have to live in this hotel room, six of us and I have to work to pay \$21 a week rent. Why, because there are no places to live. This is our America—America for thousands of refugees coming over every week—a good America for them. They seem to find places to live, while American-born families are put out on the street, have to part with their children or maybe drown them. It's all right, they're just little boys that will make good soldiers later on. Even a refugee, an old man has a place to live in Omaha while I have to try to live with mine in a hotel. While I work they run the streets, eating half the time because they are sick to death of greasy restaurant food.

My husband was out of work for 1 year. He is back now and I could quit and take care of my children right if we didn't have to pay \$21 a week rent. I never know how long I can stay here as there are railroad men here and children are noisy.

Naturally as I said before there is always the river. It would be better than living like this. The wrong has just about got me.

I have received many letters of similar import from my constituents but will not take the time to quote from them now.

I have also received many expensive telegrams, many long letters and many pamphlets from the persons, firms, and organizations opposing housing legislation, including realtors and real-estate men and organizations. They have endeavored to enlist my aid in their behalf. Many of them are friends of mine and I regret that I cannot go along with them, because the platform of my party, my campaign pledges, and my conscience would not permit of such a course of conduct. I was elected by the common people and real American men and women who not only had heads but also had hearts, as well. I must remain true to my trust regardless of consequences.

In my replies to those opposing this legislation I have stated, unequivocally, where I would be when it came time to vote on this housing bill.

I will now quote a portion of one of such letters which is typical of my replies to the opposition group:

I am in receipt of yours of June 3 in which you ask me to vote against what you term "the socialized housing bill, H. R. 4009."

As you no doubt have heard, a joint poll recently was conducted by the World-Herald and my own office on important questions before the Eighty-first Congress. The World-Herald refused to publish the result for the Second Congressional District. For your information, on the question of President Truman's Federal housing program, the vote was: For the Truman program, 9,241; against, 3,015.

This is a ratio of 3 to 1 and it is the second time that the voters of my district have indicated that they favor this program. On November 2 they elected me to Congress over Howard Buffett. I was an avowed advocate of an adequate housing program; Mr. Buffett boasted that he had killed veterans' housing in Congress.

No one would welcome private initiative in the housing field any more than I. But, according to the following resolution adopted by the board of Christian education of the Presbyterian Church at their convention a few weeks ago attended by 800 commission-

ers, representing 8,500 churches, private initiative has failed of its duty. I quote the resolution:

"Housing: Inability of private enterprise and the failure of our Government to provide adequate housing for our citizens has led to unhealthful conditions, broken homes, delinquency, and crime. Christian people are often unaware of the conditions under which others of their fellow citizens are forced to live. We recommend that our churches, in cooperation with other community agencies, conduct surveys on housing conditions in their own communities and initiate whatever steps may be necessary to stimulate private industry to develop housing for the families of the lower middle classes, and encourage local government authorities to proceed with slum clearance and public-housing program for low-income families."

I am not a Presbyterian, but I will take the word of these honest, sincere people against that of the real-estate lobby and their ilk and dupes any day in the week.

This housing bill must be passed.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

#### THE NEED TO ELIMINATE SLUMS IN THE LOS ANGELES AREA

Mr. HOLIFIELD. Mr. Chairman, you have been told that 42 of the 48 governors have endorsed this bill, and that 46 mayors of our large cities have endorsed it through the American Municipal Association. I hold here in my hand a telegram from the Honorable Fletcher Bowron, the mayor of Los Angeles, the Republican mayor of a great city with approximately 3,000,000 inhabitants, and I want to read his telegram at this time:

Hon. CHET HOLIFIELD,  
Member, House of Representatives,  
Washington, D. C.:

Strongly urge your support H. R. 4009 scheduled for House debate Tuesday. This bill affords Los Angeles only opportunity to launch effective community redevelopment program. Both title 1, providing funds for redevelopment and slum clearance, and title 2, providing funds for housing families displaced by redevelopment program are absolutely necessary. This legislation will enable Los Angeles to convert blighted tax liability areas into community assets. May I urge you oppose all emasculating amendments?

FLETCHER BOWRON,  
Mayor.

Let me again state that this message comes from the Republican mayor of the city of Los Angeles, a former superior court judge, a man who has been elected mayor three successive times by proponents of reform city governments.

At this point I want to give you some of the facts, not theories but facts, about the housing situation in the Los Angeles metropolitan area.

There were slightly in excess of a million and a quarter dwelling units in the Los Angeles metropolitan district in April 1947. This represents an increase from slightly under a million units in April 1940.

Despite some improvement in the quality of the housing inventory between April 1940 and April 1947, the Bureau of the Census figures show that there were still more than 106,000 units which were either in need of major repairs or lacked private bath or inside flush toilet. There

were, moreover, still 52,000 overcrowded units having more than one and a half persons per room. This compares with only 38,000 such units in 1940.

That the housing situation is still extremely tight in the Los Angeles area is indicated by the results of a survey of the vacancy situation made by the residential research committee of Los Angeles in December 1948. This report stated:

We need 50,000 more dwelling units in the county today to bring our housing up to normal.

The study showed that in December 1948 only 0.61 percent of the unfurnished multiple units were vacant. The vacancy rate among furnished apartments stood at 0.66 percent, while the vacancy rate for single houses was 0.67 percent. Commenting on the vacancy situation the residential research committee writes:

One of the most significant aspects about the vacancy situation is that vacancies are most pronounced among newer units and in higher price brackets. The survey shows that practically all vacancies in furnished apartments are in places less than 10 years old. In the unfurnished multiple field, vacancies in modern units are 1.03 percent, compared to 0.32 percent in older units.

A distribution of the available dwelling units for rent or sale according to their monthly rental or its equivalent is as follows:

	Percent
Total .....	0.67
\$40 or less .....	.61
\$41-\$60 .....	1.00
\$61-\$80 .....	.39
\$81 and over .....	1.07

In his reply last year to the questionnaire sent to mayors by Senator WAGNER as a part of the studies of the Joint Committee on Housing of the Eightieth Congress, Mayor Fletcher Bowron said he thought that it would be desirable for 5,000 low-rent public-housing units to be built in Los Angeles over a 4-year period.

In his reply, Mayor Bowron also called attention to a recent sampling of 16,000 veteran applications on file with the local housing authority, which showed that 59.4 percent of the veterans had incomes of less than \$1,900.

It is patent that their present incomes will not allow them to either buy or rent acceptable standard housing from private landlords or realtors—

He said—

unless the building industry is suddenly revolutionized by use of nonconventional materials, or in some other fashion as yet unthought of, something of this situation will always exist and private enterprise will always be unable to reach all levels of home seekers.

Mayor Bowron's mention of 5,000 low-rent public-housing units in 4 years covers only Los Angeles City and not other urban areas in the Los Angeles metropolitan area. Five years ago, in connection with applications for a postwar shelf of projects, Los Angeles County proposed a 3-year program of 1,500 low-rent public-housing units for areas outside the corporate limits of the city of Los Angeles.

In supporting this slum-clearance and public-housing bill, I realize that it is only a part of the legislation necessary to



give the necessary Federal assistance to residents of the Los Angeles metropolitan area and other heavily populated districts all over our country. It is my sincere hope that the great Committee on Banking and Currency will speedily bring to the floor other equally important bills dealing with other facets of the housing problem. I speak of a permanent extension of titles I and II and section 608 of the National Housing Act. It is under these titles that a major part of our houses will be built.

Permanent extension of these sections of law relating to FHA will provide long-term financing, backed by Federal Government credit, which will enable people of modest incomes to obtain their own homes, by building or purchasing them on terms they can afford. Incidentally, it will enable real-estate offices, builders, and contractors to maintain their business at a profit level of activity.

It is ironical that the real estate interests and the builders who are so anxious to obtain Government credit to stabilize their business and maintain their profits, are, at the same time, like dogs in the manger, and do not want people who are unable to buy or build under FHA to have decent, safe, and sanitary homes.

I submit that no real estate man or builder, who has integrity and honesty, can accept the stabilization of their profits through Government action, and at the same time oppose Government assistance to those who cannot help themselves through the FHA program.

Another facet of the housing problem which is equally important, is the reactivation of the GI building program. The Congress agreed in past legislation that the GI's should be given a favored position in obtaining housing. This objective has been accomplished in the past by full secondary mortgages and the low interest rate of 4 percent. The program has seriously dwindled because of the loan guaranty limit of \$4,000 and because of the refusal of savings and loan companies and banks to absorb in their portfolios additional 4 percent mortgages. The reason they have refused to maintain their previous level of GI loans at 4 percent is that the general level of interest in the United States has risen; and 4-percent loans are no longer attractive to private lending institutions.

We are faced then with two alternatives. Either the Government must advance direct loans at 4 percent interest to the veterans, or the generally accepted current interest rate of 4½ percent must be met in order to obtain private financing for GI housing. This policy must be determined by the Congress.

While I would like to see the veterans obtain their financing at the lowest possible interest rate, I realize that it is politically improbable that this Congress will pass legislation which will provide for direct Federal loans to individual GI home buyers. If such a program could be evolved, I would support it. But, believing that it is improbable of accomplishment, I think the next best thing, if we expect to reactivate GI home building, is to pass legislation which

will provide for a 4½ percent interest rate, full secondary mortgage guaranties, and longer term amortization of these loans.

Such legislation is embodied in H. R. 1324, which I introduced in the House on January 13, 1949, and which Senator ELBERT THOMAS introduced in the Senate, S. 616. This legislation will provide one-package loans at low monthly payments, and at an interest rate which is reasonable, and, which at the same time, will attract private capital into the building field.

I hope that the Committee on Banking and Currency will soon give their attention to the other factors which are necessary to the provision of an over-all home-building program to meet the critical needs of the people of the United States.

I have introduced a bill for this purpose which I hope some day to be allowed to testify for in the Committee on Banking and Currency. But I realize we have to do this a step at a time. This, certainly, is the first step and we have to concentrate on it and pass this bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I rise to speak in support of this most worthy housing bill—H. R. 4009—which is now under consideration by the House. This measure to establish a constructive and practical national housing policy and objective through its provisions calling for slum clearance, public housing, rural homes and housing research, is one of the most progressive and enlightened pieces of legislation ever debated by the House of Representatives. Its passage will mark a major milestone on the road to the solution of the Nation's critical housing problem, and will strengthen the housing industry to make possible the meeting of America's long-run housing needs. As such, H. R. 4009 deserves the full backing of every Member of this distinguished body, and I am happy to give it my unqualified endorsement.

I take this opportunity to declare my firm belief in the entire underlying philosophy of this bill. In my opinion, the policy declaration expressed in this bill to the effect that "the general welfare and security of the Nation and the health and living standards of its people" requires the elimination of the current housing shortage, and existing slums and the realization of a decent home for every American, is in keeping with the best American tradition. The right to a decent home in healthy surroundings is the democratic right of every American, and this bill defining this objective expresses the aspirations and hopes of every member of our society.

#### THE NEED FOR A HOUSING PROGRAM

It is a well-documented fact that the housing situation in the United States is deplorable, that it is a national disgrace. In the first place, there is the current housing shortage. It is estimated that between two and three million American families—about 40 percent of them belong to veterans of World War II—are to-

day without homes, and who are now forced to live doubled-up with relatives and friends, or to exist in trailer camps and rooming houses. And the Nation's housing needs are increasing with the increase in population; statistics show that by 1960 we will need about 7,000,000 new non-farm-housing units just to place a roof over our growing population.

This does not take into account the substandard and dilapidated conditions of existing housing facilities. To simply place a roof over the heads of all Americans is not the American ideal, but the task is to provide homes in which Americans can live decently and happily. Yet the statistics show that 40 percent of nonfarm dwellings in the United States are substandard, and that nearly two-thirds of all farm dwellings are in the same condition. Hence, any satisfactory housing program must not only build enough homes to provide space for the homeless of today and the increase in the number of families, but it must also make possible the replacement of these substandard homes in the city and rural slums of the Nation with sanitary, modern, and up-to-date homes for our people.

In short, the statistics show that the task of supplying the housing needs of America involves the construction of some 16,700,000 new housing units by 1960. This is a gigantic task, but one that we must accept and take positive action to fulfill.

#### MINNESOTA HOUSING CONDITIONS PARALLEL NATIONAL PATTERN

The present housing crisis, with its acute shortages, overcrowding, city and rural slums, is not confined to any one area—it is not a State or sectional problem, but one which exists throughout the Nation, and extends to every State in the Union. It affects New York just as it does California—it extends from Michigan to Louisiana and from Massachusetts to Oregon.

As the Representative of Minnesota's Eighth Congressional District, I am very familiar with the housing conditions of my home State, and I can testify that the housing situation in Minnesota parallels the national housing pattern.

The same immediate housing shortage exists in Minnesota as it does on the national scale. Recent surveys show that about 10 percent of all families in the Minneapolis-St. Paul area cannot find homes and are forced to double up with relatives and friends. Hundreds of veterans in the city of Duluth are without housing facilities. One out of every seven families in Hibbing are without homes, and in Virginia, Minn., the ratio is one out of every eight.

Minnesota is likewise plagued with substandard housing in both town and country. According to a 1947 study made by the agriculture experiment station at the University of Minnesota, the following conditions exist in my home State:

First. In 1940 approximately 47 percent of all homes in Minnesota were without running water; 49 percent had no flush toilets; 52 percent had no central heating; 36 percent had no electric light; 68 percent lacked mechanical re-



frigeration; and 18 percent need major repairs.

Second. With respect to the 394,673 urban dwelling units in Minnesota about 25 percent of them had no central heating; 49 percent lack mechanical refrigeration; and 10 percent need major repairs.

Third. Rural housing in Minnesota is in worse condition than city housing; 88 percent of them lack running water; 92 percent lack flush toilets; 70 percent lack electric lights; and 27 percent needed major repairs in 1940.

In short, Mr. Chairman, at least one-third of the urban homes in Minnesota are below standard, and approximately two-thirds of rural homes are in the same condition. This is the prevailing condition throughout the entire United States, and I say that a Federal housing program is absolutely necessary to furnish the type of homes in adequate numbers which the people of my State and the other States want and deserve.

ONLY THE REAL ESTATE LOBBY OPPOSES HOUSING LEGISLATION

This housing bill, H. R. 4009, has almost universal support of the American people. All the great labor organizations—the A. F. of L., the CIO, the railroad brotherhoods—have endorsed it. Every major veterans' organization, the American Legion, VFW, DAV, AVC, the Jewish War Veterans, and the Catholic War Veterans, have all given it their approval. Likewise, the Farmers Union and the National Grange, the American Municipal Association, the United States Conference of Mayors, the League of Women Voters, the National Conference of Catholic Charities, the Congregational Christian Churches, the National Council of Catholic Women, and the National Council of Jewish Women, are giving this measure their full support.

Although this housing bill has the overwhelming support of a vast majority of Americans, and in spite of the fact that its passage is in the public interest, we find that certain selfish interests are opposing it. These reactionary and anti-social forces, headed by the real estate lobby, are howling socialism and spending enormous amounts of money in a propaganda campaign of misrepresentation and falsehood to defeat this measure.

This propaganda at its worst is represented by the greeting card technique—no doubt others in this House also received the message of the National Retail Lumber Dealers Association on what looks to be a birthday card. When the card is opened, the reader finds that the lumber dealers' idea of humor has not changed much in the last 25 years. I hope that everyone will read this greeting card, since it must have cost the lumber dealers enough to build several houses, even without new and improved techniques which they deplore.

A more subtle form of propaganda is represented by the efforts of the Home Builders Association of Metropolitan Washington, whose economy housing project has the praiseworthy objective of utilizing modern techniques. But was it a coincidence that a letter inviting Members of Congress to view this project

arrived last Friday, and that the open house was scheduled 3 days before this body started debate on a public housing bill?

The home builders' letter stated, and I quote:

Here is a demonstration right in the Nation's Capital of what the builder under private enterprise is doing and will continue to do in providing low-cost housing for low-income groups.

What is the builder doing? A representative of my office visited the economy project last Saturday, making the long trip to District Heights. No blame attaches to the builder that it was necessary to go miles away to obtain cheap lots at \$1,200 apiece, and I want to state that the builders displayed real ingenuity in building houses to sell at \$7,000 for a one-bedroom and \$8,000 for a two-bedroom dwelling under these circumstances.

Despite the builders' ingenuity, these houses are not satisfactory. They are small—smaller than the average apartment. They are not economy-house cheap—the monthly payments will average more than \$50, which does not count utilities and other extras that every homeowner runs up against.

Still more important, these houses were not built by regular contractors. They were built by the association, and the builders themselves admit, first, that they do not know whether contractors will be convinced that they can build them at a profit, and second, they do not know whether financing will be available even under the GI-loan program.

Here, then, we find two economy houses. We find the builders working to design and build them for over a year. We find the builders running all over town to obtain financing, on their own admission. We find veterans falling all over themselves to purchase these two houses, in spite of their inadequacy. So many veterans want to buy, I am told, that it has been arranged for the American Legion to draw the lucky winners' names out of a hat.

I personally want to compliment the Washington home builders on their demonstration. I believe that they proceeded in good faith. They have built two houses, and I hope that they persuade others to build many more with many more improvements. There is a real place for private enterprise in the housing field.

But I believe, too, that this demonstration has shown once again that private enterprise alone has not done and cannot do the whole job, either here in Washington or anywhere in the Nation.

One of the charges made by these enemies of decent housing for the people is that this measure costs too much—that it will cost \$20,000,000,000. Of course, the true fact that H. R. 4009 calls for an expenditure of about half that amount over a period of 30 years is of no interest to these unscrupulous gentlemen.

I would like to remind the real estate lobby that America cannot afford to be without this housing program—the social cost of slums and bad housing conditions are so great that they threaten national security. There is a direct re-

lationship between bad housing and disease, crime and Government expenditures, as the following facts, based on previous studies, will demonstrate:

First. The pneumonia rate in slum areas is 3 times as great as in normal residential areas, the infant mortality rate is 6 times as great, and the tuberculosis rate in slums is nearly 11 times as great as under sanitary housing conditions.

Second. The crime rate in slum areas is 5 times as great as it is in better housing areas—the juvenile delinquency problem is manifold greater in slums than other city areas.

Third. Slum areas cost city governments much more per capita in connection with expenditures for fire and police protection and for health and other services. Yet, slum areas contribute the least amount in the form of per capita revenues to maintain city government; and

Fourth. The future citizens of America—our children—are the chief victims of the slums and blighted areas of the Nation. The committee report on this bill sums up this point very well when it says:

Unfortunately, the effects of poor housing leave their heaviest toll upon the millions of children who are being obliged to spend their formative years either in dreary, unhealthful slums, or in overcrowded dwellings in which normal family life cannot be achieved. The maintenance of our way of life and our aspirations as a people and a democracy depend to a large extent upon these children whose attitudes and minds are being formed for the future in the homes of today.

The real-estate lobby also raises the bugaboo of socialism, which is the usual phoney argument used by all reactionaries whenever progressive and liberal legislation is proposed for the benefit of the people. This argument is wholly without foundation. H. R. 4009 will strengthen free enterprise—it is designed to help free enterprise to build the homes needed by the American people. It is based on the assumption of free enterprise, and it will operate in this kind of a system.

The authors of this bill have recognized the simple fact that the private construction industry has never been able to supply America's housing needs in the past, and they are incapable to do it today. Let me remind the House that the average annual construction during the boom years of 1920–29 was only 723,900 homes, and that the average during the depression period fell to only 273,000 homes a year. Last year only about 990,000 homes were built by private enterprise in spite of the enormous public demand for housing—today this rate of construction has fallen smartly in the face of our ever-increasing housing needs. Even those are so expensive as to be out of the reach of the average family's pocketbook.

Hence the purpose of this bill is to help the private construction industry do the job that they cannot do by themselves—it is a policy designed to bolster and strengthen this industry.

H. R. 4009 IS MUST LEGISLATION

Mr. Chairman, housing legislation along the lines of H. R. 4009 has been



passed three times by the Senate during the last 4 years, only to have it blocked in the House by the selfish real-estate lobby. We cannot allow this to happen again—we cannot permit the real-estate lobby and other vested interests deny decent housing to the American people again.

This measure now before us is a practical measure providing a workable housing program for the Nation. In its declaration of policy which sets forth the goal of decent housing for all Americans, the measure reflects the democratic aspirations of the American people.

In its provisions which authorize Federal loans and grants, it enables communities to take the first step toward the elimination of blighted areas and slums in our cities. The clearance of slums is a task that private enterprise is unwilling or unable to undertake, and communities cannot do the job by themselves. We cannot afford the deficits resulting from slums any longer—a deficit in humanity caused by generations of children being brought up under conditions of misery, disease, and delinquency. Public action stimulated by Federal funds as provided in this bill is necessary to clear these slums which are a disgrace to the Nation.

The public housing features of this bill are necessary to provide better homes for low-income families at rents that they can afford to pay. There is no other way in the foreseeable future to provide better housing for these low-income groups than the Federal subsidy provided in this bill.

Passage of this bill is needed to make available better housing to the low-income farmer. Rural slums are a blight upon the national landscape and are hazardous to over a million farm families. This proposal to grant Federal loans at low-interest rates is absolutely necessary to make a start on the farm-housing program.

Finally, the program of technical research in the housing field is necessary to modernize the entire home-building program and to utilize new and better methods in our effort to secure the type of homes that Americans need and deserve.

In conclusion, Mr. Chairman, I say that the passage of H. R. 4009 is of the utmost urgency and that the housing program which it embraces is already too long delayed. We cannot afford to wait any longer—the Congress cannot stand idly by and condemn our veterans to a continued and permanent existence in trailer camps and rooming houses. We cannot doom another generation of American children to a childhood spent in disease- and crime-breeding slums. Congress must not fail the American people whose housing needs are critical. I call upon all Members of the House to give their wholehearted support of this measure to establish a comprehensive housing program for the Nation and to vote for its enactment into law.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, for 3 years the United States House of Representatives has been considering the housing problem of the Nation.

Even down to the last nail.

The printed hearings on the subject run into book-length volumes.

An average house, which man once built entirely by hand, has lately become a very difficult and complex study.

Why this should be so is hard to understand.

Shelter is second only to food as a basic requirement for sustaining life.

Thousands of years ago our ancestors learned how to put roofs over their heads, by necessity.

But we, by design or otherwise, seem to have lost that elemental ability.

It is true that we were the first nation to develop the mass-production technique which will, this year, enable us to manufacture 6,000,000 automobiles.

Now, much as we may need and enjoy this form of transport, few people will maintain that a car ranks next to food in priority.

There are some folks who spend so much time in their cars that they appear to live in them, but most will agree that cars, or trailers, will never supplant the home.

However, we are faced with a strange paradox.

We can build cars in quantity but not adequate shelter in quantity.

We have the capital, the skilled labor, the contractors, and a wealth of ingenious products with which to build tenements.

But they are not being built.

Young married couples and their babies have to live with in-laws, creating health problems and social tensions which are not good for anyone.

This is not an extreme example.

It is all too common.

It is midway between those whose heart's desire is to buy a small home of their own at a price which they can afford to pay, and those who are forced to live in the disease-breeding and crime-festering slums of the big cities.

Billions are expended for defense but how much for constructive security?

Or, what good is a strong shell if the substance within deteriorates?

The American people are puzzled and disturbed by our immediate response to external dangers and our lack of interest in home problems.

They suspect that the problem of housing has become the victim of evasive tactics on the part of those who insist on doing business in the good old discredited way.

Some adjustment to reality is necessary for every individual who would be healthy, happy, and become a productive person.

It is no less true of any group or nation.

We in the United States takes pride in our progress.

When we find a new and better technique, we discard the old one.

We know that any business which fails to keep pace with competition, falls by the wayside.

The economy has lived up to this competitive challenge with one glaring exception.

Lagging behind all others is the building industry, stubbornly insisting on outmoded methods, and demanding of owner and tenant alike the excessive costs which they cannot pay.

Behind the scenes of this struggle to provide decent shelter for our people are the lobbyists who ignore the dangerous social implications of their concept of profit and would aggravate those tensions upon which subversion thrives.

In turn, they are their own worst enemies because they are keeping the door shut on the greatest opportunity they have ever had to be of service to themselves and to the Nation.

Look at the vast market for homes and rental units if mechanics, contractors, and realtors, building-material manufacturers and municipalities will only work together to bring costs down within reach of the people who need and want modern living quarters.

The blunt truth is that they are failing to do this.

Instead, they are working at cross-purposes, and missing that integration, imagination, and scientific application with which they could solve the problem.

We have waited and waited, but they have not been able to do the job.

The population is increasing, overcrowding present facilities.

Slum areas, like cancers, are spreading to aging properties.

And the irony is that the very rent controls which the real-estate interests fight against are extended because these same interests do not show the constructive leadership expected of them.

We would have no rent controls if they had lived up to their responsibilities.

But they did not deliver the goods.

The result is that we still have a housing shortage and rent controls, when we should have had modern housing for most of our people in a free market.

Perhaps they fear that new houses will reduce the value of older ones.

What else are we to expect in a competitive economy where the obsolete must give way to that which is an improvement on the old?

Or do they really prefer the monopoly of the status quo, thereby contradicting that freedom of enterprise of which they speak so fondly?

I wonder.

The State Housing Board of the Commonwealth of Massachusetts for example, estimates that 75,000 families in that State are in need of housing.

Of these, 60,000 are veteran families.

In addition, there is a substantial need for low-rent units and for the clearance of substandard areas.

Nine years ago, when the last Federal census was taken, over 262,000 dwellings in Massachusetts, or 21 percent of the total, were found to need major repairs, or to lack private baths.

Today, most of those structures are still in use and are 9 years older and so much worse.

And this is in one of our higher-average income States.



As Mr. Frederick W. Roche, chairman of that State housing board said at a United States Senate hearing on this subject, and I quote:

While awaiting action on the Federal level, Massachusetts has not been idle.

The Commonwealth has pushed ahead with its own State housing plans based upon municipal and State credit.

The legislature has authorized the cities and towns to borrow up to a total of \$100,000,000 with which to construct housing for rent for 5 years and subsequent sale to veterans, with the State participating to the extent of 10 percent.

Massachusetts has also adopted one of the most extensive public housing programs in the country.

In April 1948 the legislature unanimously adopted a program guaranteeing the notes and bonds of local housing authorities to the extent of \$200,000,000 and will make available annual subsidies of \$5,000,000 for 25 years to provide rental housing for the low-income veteran families of the Bay State.

In addition, there is permissive legislation authorizing the insurance companies and the savings banks of the State to undertake rental-housing projects.

Means have also been provided whereby urban redevelopment agencies, private and public, can be established to take advantage of any Federal aid.

There are 109 housing authorities in Massachusetts, more than any other State in the Union, each one of which has the statutory power to undertake low-rent housing and urban redevelopment projects.

In spite of its bold and progressive program, Massachusetts cannot do the job alone.

The program still leaves a considerable number of middle- and lower-middle-income families unprovided for, and makes no provision for the lowest-income families.

For this, more funds and more credit are needed.

In the conservative State of Massachusetts, we feel that aid for housing, urban redevelopment, and slum clearance should be a Federal undertaking.

With its broader tax base, the Federal Government is the proper agency to extend the necessary credit, make the necessary loans, and to provide the subsidies or annual contributions needed to absorb the difference between an economic rent and the rent which the low-income family can pay, and to take up the difference in cost between slum land and replanned land.

I believe that those States, like Massachusetts, which took courageous action on their own to make up for congressional delays, should not be penalized for the service they are giving to the citizens. A service which the Federal Government should have provided long before this.

Certain obstacles such as the requirement of the elimination of substandard dwellings, the so-called equivalent elimination requirement, and the limitation of costs to \$2,500 per room should be removed. To clear the way for conversion

of State-aided projects to a federally aided basis.

A balanced attack on the housing problem requires the participation of private builders and the Government.

A public-housing program restricted to the lower-income families is no threat to private builders because they cannot serve this area without undue risk.

Furthermore, Federal financial aid to cities for slum clearance is a function which only Government can perform.

In fact, this would help private builders by opening up close-in sites at more reasonable land values.

That leaves a mass market of middle-income and lower-middle-income families which the building industry can best serve.

Opposition to public housing projects for the lower-income groups is based on a clearly unrealistic position.

Why should builders waste their time and energy in fighting the inevitable?

They admit that they cannot do this particular job which must be done.

It would be far better for themselves as businessmen, and for those of their fellow citizens who are denied suitable living quarters because of obstructionist tactics, to face the fact that there are sharply defined areas of responsibility, and to proceed accordingly.

An attitude of "my way or nothing" is self-defeating.

It is responsible for the present deadlock.

Meanwhile the problem becomes ever more critical for those most in need of healthy and hopeful housing accommodations.

This is indefensible in view of the reasonable amount of give and take which would clear the way for an over-all solution, a solution that would open up the mass market of low-priced homes for the private builders.

I feel that a housing bill, apart from its emergency objectives, should also encourage private enterprise along the lines suggested in the following letter dated April 15, 1949:

Hon. THOMAS J. LANE,

Lawrence, Mass.

MY DEAR MR. LANE: We feel that we are one of the largest home builders in New England.

The enclosed Boston Globe supplement evidences this fact; namely, 700 single homes completed in 1948.

The construction of these homes was made possible only by FHA, title VI, section 603, financing, which expired April 30, 1948.

Our plans for 1949 called for the construction of 900 more of this same type of single home to sell in the \$7,500 to \$8,500 range, but because of inadequate FHA financing we have had to abandon this program.

We are sure that every home builder in New England joins us in urging you to carefully study what this section 603 financing has meant to private housing interests in the past, and earnestly request that you and your colleagues take steps to reestablish same.

I would be pleased to discuss with you, at your convenience, the merits of this type of financing as seen from the home buyers', the banks', and the operative builders' point of view.

Respectfully yours,

KELLY CORP.,

JOS F. KELLY, President.

The importance of the home in our national economy bulks large when we consider that in normal years:

First, Home construction comprises one-fifth of our total national output of capital goods.

Second, Home indebtedness accounts for almost one-third of long-term private debt.

Third, Residential property provides almost one-half of local tax revenues.

Fourth, Rent and household operations account for more than one-fourth of consumer expenditures.

It is for these reasons that we should encourage the building and buying of homes.

However, in the legislation under discussion, we must give major attention to the emergency aspects of the problem.

And we must bear in mind that our housing shortage is not merely a post-war interlude.

As far back as 1937, one-third of the Nation was ill-housed.

House Report 1564, Joint Committee on Housing, states that at least 5,000,000 families are living in slums, in decrepit shacks that are fire-traps and health hazards, without water and electricity, with rats in the cellar and privies in the back yard.

Over 2,000,000 families are living doubled up.

Another 4,000,000 families are living in dilapidated structures that will soon be slums.

Contrast these facts with the population needs which are increasing at the rate of 2½ millions every year and the 2,000,000 new families which are formed by marriage every year.

The cost of new homes has more than doubled since 1939.

People need homes but they have been priced out of the market.

If we did not have rent controls, they would be priced out of lodgings.

The housing industry cannot, or will not, build rental units to keep up with the demand.

In this crisis, the Federal Government must step into the breach and fill the gap.

If it defaults on this obligation, the richest nation in the world will stand indicted for criminal negligence in failing to provide for one of the basic needs of its people.

And it will give to the Communists a ready-made argument with which to foment social unrest.

The slums have been with us a long time, but have the real-estate interests ever done anything about this growing menace?

No.

What is more, they do not want anybody to do anything about it.

They try to rationalize the situation by saying that it is a good testing ground for character, romantically pointing to those who made good in life despite the handicaps of a slum background.

They do not choose to see the disease and crime which also come out of those same slums to threaten the rest of the community.

They even ignore their sole yardstick of dollars-and-cents values.



Rotting slums cause economic losses that are at least 10 times the tax revenues received from them; and the losses from juvenile delinquency, sickness, and crime can never be gaged by an adding machine.

Slum areas' costs in municipal services over revenues is from 3 to 10 times as much per capita as in healthy communities.

For a sample case history, let us take the industrial city of Detroit.

We find that in its slum areas, the pneumonia death rate is 3 times as high as in the rest of the city, crimes are 5 times as high, infant mortality 6 times, tuberculosis death rate 10½ times; and it breeds 15 times as many criminals.

Although real-estate interests frequently make a larger return on their investment from slums than they do from other types of housing, they, too, must eventually pay for the blight of exploitation.

Sooner or later the Federal Government must step in to avert chaos.

The indifferent real-estate operators are solely responsible for the very situation in which they now violently oppose every remedy.

Having caused the disease, they refuse to call the doctor.

They hope to avoid paying their share of the fee, on the wishful assumption that the patient may somehow stagger through on his own.

But I say that the public interest, its health and security, has the paramount claim to our consideration.

We believe in home ownership as one of the main props of our society, recognize the happiness and freedom that stem from such individual effort and achievement.

But we cannot close our eyes to those areas where so many people, far from owning the dwelling units where they live, cannot secure tolerable rental quarters.

It is in this domain that the home-building industry has failed over a long period of years.

And it is this national disgrace which we propose to remedy by legislation to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

To call this socialistic is to becloud the issue.

The housing need is desperate, aggravated by the four postwar occasions on which the real-estate lobby has sabotaged housing legislation.

It is high time that the housing industry changed from a negative to a positive program by modernizing itself and by bringing down the costs of private housing.

In this way it can save the enormous field still open to private enterprise, instead of wrecking that small part of the job which it cannot do.

They should wake up to this reality of 1949, that low-rent housing and slum

clearance and the special housing problems of farmers are legitimate goals of Government action.

The most effective service which the housing industry can bring to this problem, if it will, is to so reduce costs that an extension or even continuation of subsidized housing in the future may be unnecessary.

Meanwhile conscience and common sense demand that we take steps to alleviate the distress of millions now barely existing in dark, unsanitary, overcrowded, and dangerous hovels.

Is \$350,000,000 a year over a period of 30 years too great a price to pay for a basic, domestic security?

Or would we prefer to lose 10 times that amount through disease, crime, and crippled morale?

The answer is obvious, but the American public is anxious for us to give it form and substance.

Mr. RODINO. Mr. Chairman, as we proceed to the consideration of H. R. 4009, I would like to call to the attention of the Members of the House several significant facts that mark this bill as a signal forward step in the welfare and progress of this democracy.

Unlike various measures that we have considered in the past few years, H. R. 4009 is not just a bill to tide us over through a housing emergency until we can work out something better and more lasting. This bill is the product of long consideration, thorough exploration, and careful and intensive study. It undertakes to establish a national housing policy consistent with American methods and ideals and to equip us to carry out that policy more effectively through the removal of slums, the provision of decent housing for low-income nonfarm and farm families, and the lowering of construction costs.

For the last 4 years this legislation has been under national discussion in the Chambers of the Congress and throughout the Nation. I doubt if any piece of legislation has ever been so thoroughly debated and investigated. The more we have discussed it, the more its basic principles have won support among the Representatives of the Congress and among the people of the country. The time that has been spent in these deliberations has pressed hard on those who have anxiously awaited such assistance to relieve them of their urgent housing problems. But that time may not have been entirely lost, if now, with full understanding and widespread agreement, we act with decision and dispatch, and write into law these measures which will help to bring to the people of this Nation homes that represent the ideals and the strength of a great democracy.

When the war ended and we began once more to attend to the unfinished business of our domestic economy and welfare, housing occupied a top place on our peacetime agenda. We had, prior to the war, made significant advances in improving our housing standards and in broadening the base of good housing and home ownership among our people, including an initial but limited approach to the problems of low-rental housing.

But these earlier efforts, like our immediate programs after the war, were partial, unrelated, and piecemeal attacks on various segments of the housing problem. There was a general recognition at the end of the war that we needed a comprehensive approach and policy in the housing field, one that would provide consistent and appropriate support for a prosperous, stable private enterprise operation and one that would additionally provide for those difficult yet vital areas of housing need which private enterprise could not meet.

The legislation originally introduced in the Congress in 1945 to serve this end embodied a broad range of measures designed both to expand the area of private enterprise operations and to supplement it with Federal aid administered through responsible local authority. This legislation has been extensively and exhaustively studied and debated. It has been modified in many of its specifics. It has had the benefit of a 6 months' national survey of housing by a joint committee of the Congress. It has been passed in its main principles by the Senate three times. Most of the private enterprise proposals originally introduced have been expanded and enacted into law.

The remainder of this bill, that part which deals with the most neglected areas of our housing need and which undertakes to relate all of our housing activities to a considered and consistent national policy, comes now before this House for the first time. The Members of this House, most of whom have long since known and understood the significance of such legislation, are at long last to be given the opportunity of voting on it. It is a vote long delayed by emergency pressures, by conflict and controversy. The bill, however, comes before the House now with an even greater measure of agreement and conviction throughout the Congress and the Nation, and represents a policy and an approach which has surmounted party and partisan lines.

The bill has for a long time had bipartisan cooperation and support in the Senate. In the House substantially the same proposals have been included in housing legislation introduced this year under the sponsorship of 10 Republican House Members. Substantially the same provisions as are before us today, in fact, were favorably voted out of the House Banking and Currency Committee in the last Congress when the Republican Party had majority control, but were prevented from reaching the floor for a determining vote.

The simple fact is that the problems it deals with are not partisan problems. They are the common concern of Democrats and Republicans alike in their home communities and constituencies, and the assistance that will flow from such legislation will serve the people of our cities, towns, and farms, regardless of any partisan preference.

The bill is presented to us here after full open hearings and further careful consideration in the House Banking and Currency Committee. While paralleling in major respects the bill already passed by the Senate, H. R. 4009 as reported by the committee has been further exam-



ined and additions and amendments that were felt to be desirable and necessary have been added.

In the many housing measures that the Congress has taken thus far, it is evident to all that certain fundamental problem areas have remained without hope of cure and that we have lacked a cohesive pattern or well-defined sense of direction both in formulating housing legislation and in its administration.

This bill supplies the missing links of our housing policy. It equips us to attack those difficult and critical problems of slums, low-income housing, and farm housing, and the basic and baffling problem of costs which has grown greater as we have been seeking the most suitable formula for meeting them.

No one offers this housing bill as the final and ultimate answer to all of our housing woes. Even during the 4 years that this bill has been under discussion, additional housing problems have developed with which we must cope. Certainly in the field of middle-income housing, we need further study and action as soon as possible.

But this bill does fill out general basic programs through which our major housing problems can be served. It establishes a framework for our entire housing policy through which, as circumstances now or later require, we can discuss, explore, and enact the type of legislation most likely to serve our needs within an approved and accepted policy.

Under the declaration of policy in this bill, we agree that it is the goal of this country to enable every American family to obtain a decent home and living environment. That policy states, however, that the primary responsibility for accomplishing this goal belongs to private enterprise, with Federal aid to be used for those needs which cannot otherwise be met. There is nothing especially novel or startling in such a policy declaration, since it represents the convictions and practice that we have followed and recognized in this country in many other fields of national interest. It is significant, however, that we should at last declare such a policy with respect to our housing problems and that we should establish such a basis for our housing programs and activities.

We have provided many various measures to support and encourage private enterprise in providing housing to our people, and we shall no doubt add to those, particularly in those lower-cost areas where the need is great and the difficulties real. We have done virtually nothing, other than a limited initial program before the war, to relieve the burden of slums from our hard-pressed cities, or to meet the companion problem of providing decent housing for those whose incomes will not support decent privately owned dwellings, or to cope with our seriously deficient supply of farm housing.

Yet we have some 6,000,000 non-farm-housing units today that are substandard by any reasonable measure of minimum requirements for decent and healthful living. Every fifth family, on the average, in our towns and cities has no choice but to live in a slum dwelling. One-

fifth of our families, in fact, had total family-money incomes of less than \$2,000 in 1947, and one-third of them less than \$2,500.

And while families are obliged to dwell in slums, to rear a large part of the Nation's children under conditions which endanger their future, the cities themselves find themselves drained and bled by the waste and high costs of maintaining and servicing these areas. There is a real and unavoidable cost attached to the reclaiming and redevelopment of these lost and costly areas of our cities, but there is an endless and far greater cost, both economic and human, that must otherwise be paid through the toll of crime, disease, and delinquency and in the progressive liquidation of property values and municipal investments.

We have heard the claim that the cities and States should take care of their own, without Federal assistance, yet we have seen our cities more and more straining under the burden of declining tax revenues and increasing costs, which have stemmed in no small part from the increasing slums and deteriorating blight that has spread farther and farther throughout the central city.

We know that the way to remove slums is to provide decent housing for those who must live there and to remove the slums and redevelop these areas into sound and supportable sections of the city. That is what this bill undertakes to make possible. It leaves the job with the cities where it belongs, but it recognizes that the resources of the Nation, made available through Federal aid, are essential if the cities are to do that job.

For the first time, in this bill, we recognize that the housing of our farm families is no less important to our national welfare than that of our nonfarm population. Rural slums may be less apparent to many of us than those in our cities which surround our places of business and lie athwart the streets that carry us to and from the heart of the city. Nevertheless, in 1947 roughly one-fifth of all our farm dwellings were in need of major repairs and more than two-thirds of the others lacked running water or indoor plumbing facilities. This bill would make available to farmers, who have heretofore been unable to do so, the credit and assistance necessary for them to provide decent housing and buildings on their farms. While it does not begin to cover the full need, it offers a substantial beginning.

Finally, of even broader significance, this bill authorizes the Federal Government to assume an active and leading role in research in the housing field to help bring about improvements in the production of housing and efficiencies of operation which will produce progressive reductions in the basic cost of housing to all Americans. We have indulged long enough in wishful hoping that somehow such industrial progress and modernization in homebuilding would come about. We have had varied and assorted advances in the housing field on a scattered and disorganized front. We have lacked, however, coordination and leadership directed toward the stimulation and coordination of effort in this direction de-

signed to bring about a better organized attack on this persistent and unavoidable problem of costs.

I want to emphasize that all of these things proposed in this bill are within the policy framework in which the Federal Government undertakes only those activities which cannot be carried out successfully without its aid or participation.

In the slum clearance and public-housing provisions, the basic responsibility rests with the local communities. The Federal Government cannot initiate, cannot plan or build a single unit in a single project. It simply stands ready to lend its assistance to those communities which desire and initiate their own projects, which demonstrate their need, and which are prepared to assume the major responsibilities for executing the local programs.

Furthermore, in section after section, the bill is carefully written to assure that Government action in none of these fields will do anything but supplement and assist the operations of private enterprise. No public housing can receive Federal aid unless there is a demonstrated need that private enterprise cannot serve, and even then a 20-percent gap must be established between the highest rentals for admission into public housing and the lowest rentals at which good private housing, new or old, can be obtained. Private enterprise is also to have the primary responsibility for the redevelopment of slum and blighted areas acquired with Federal aid for redevelopment.

The bill, in short, has been designed and written both to meet the practical requirements growing out of our slums and our over-all housing needs, and at the same time to preserve and strengthen the capacity both of private enterprise and of the local community to do the major part of the job.

It is a bill that first of all undertakes to determine where we are heading in our housing policy, to define the method and framework in which our housing programs are to be conceived and carried out, and then to provide the additional instruments that the country needs to cope with its entire housing problem. This House is now called upon to act upon the proposition of whether a decent place to live and work and rear a family is a reasonable and proper hope of American citizens.

I am for this bill for a very simple reason. I was born in a Newark slum and spent my childhood years in it. I know from personal experience what it is to live in slum surroundings. I can assure you that most of the families who experience the bitter life of the slums look forward to the time when it will be possible to move out of them.

You have heard opponents of this bill say that it is untimely, costly, and unnecessary; that our housing has improved progressively and greatly over the years. A month ago I set out to see for myself. I argued that the first ward in Newark, inhabited by some 20,000 people—the slum in which I was born and lived my early years—would be a good place to see the housing progress claimed by opponents of H. R. 4009. But I found



no progress. The slum that had been there when I was born was still there. The only difference was that it was dingier, more dilapidated, more crowded. It was in every way worse than it had been in my childhood. I visited the third ward, also densely populated and another slum area of Newark, and found there conditions paralleling those in the first ward.

In both wards I talked with people who lived there. They talked about their kids and how they hoped that these growing children might live their lives in better surrounding than are afforded by the slums of Newark. I visited nearby cities. The story was the same.

My feeling about the need for this bill is not academic. I have been an active participant in the organization known as the Youth Movement for Rehabilitation of Delinquent Boys. I know the surroundings most delinquent boys come from. The evidence is overwhelming that the slums with their poverty, their dirt, and their ill health are breeding grounds for delinquency. If we wipe out the slums we will have taken a long step toward ending the conditions that foster juvenile delinquency. If we provide the opportunity for decent housing and wholesome play in proper neighborhoods, we can significantly reduce juvenile delinquency.

This is not just mere talk. A number of studies have been made comparing juvenile delinquency in slums and in public housing. One was made in Newark by a Newark University professor. He found that the delinquency rate was 21 percent lower in three public-housing developments as compared with three slum areas. Two of the slums he studied were these same two wards I recently visited.

He reported also that the public housing projects had 45 percent fewer cases of tuberculosis, 15 percent fewer infant deaths, 31 percent fewer cases of children's diseases, 37 percent more births, 74 percent fewer fires, and 100 percent fewer deaths from home accidents. Moreover, the effect of rehousing upon the children in their school life was remarkable. They showed a 7-percent improvement in attendance, 10-percent improvement in academic grades, 16-percent improvement in personality development grades, and 19-percent improvement in health habit grades. Can this be measured in dollars and cents?

Since my visit to Newark and adjoining cities, I have received letters from my constituents, including some from children, urging and pleading with me to support any legislation that will help them to better housing. I welcome their letters, but I do not need to be urged to support this bill. I know at first hand that it is a necessary measure. I am convinced that this Congress can make no greater contribution to the welfare of the Nation than to provide the tools that will enable American cities, large and small, to strike a death blow at the slums.

I am for the urban-redevelopment title of this measure because I know my own city must have help if it is to clear away the blight and rot that afflict it. Newark is not the only city that needs this help.

The mayors of other cities tell the same story. The problem we face is a national problem. It is a matter of saving our cities from decay.

I am for the public-housing title of the pending bill because we cannot afford to view this problem only in terms of the physical condition of the cities or as a tax problem or as a planning problem. It is all of these things, but it is also a problem of people. We will not be making progress if we clear the slums and forget to provide homes for the people who live in them. The simple truth is that many of the families who live in the slums cannot afford adequate housing. They are low-income families but they are not improvident nor destitute. They are self-respecting, competent members of our society. In other respects, they are providing for themselves and their children. But the cost of housing today puts good homes beyond their means. The public-housing title of this bill offers a tested and successful method of making good homes available to them.

When I have the opportunity, I will be proud to say that I voted for this bill and all it means to the families of America.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, had come to no resolution thereon.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 96. Concurrent resolution authorizing the Clerk of the House, in the enrollment of the bill (H. R. 4332) to make a change.

#### IMPORT CONTROLS ON CERTAIN COMMODITIES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils, and rice and rice products.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, would the gentleman from Kentucky, chairman of the committee, explain the bill briefly, and also the amendment which I understand he intends to offer?

Mr. SPENCE. Mr. Speaker, this bill merely continues the controls which now exist over the importation of fats and oils. The bill as originally drafted provided for an extension for a year and a half, but at the request of some of the Members we intend to offer an amendment which makes the extension for 1 year. The Department of Agriculture says it is very essential that these controls be continued. I can see no objection to the extension of the controls. There was no objection to the bill in committee and it was unanimously reported, as I recall.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. MURRAY of Wisconsin. Mr. Speaker, I wish to call to the attention of the Congress the fact that this legislation is a little bit difficult to understand. The people who voted for the reciprocal trade treaties a few weeks ago may find it is easier to pass this bill than to face the facts. In the first place, the President, under section 22 of the AAA Act has this authority. This bill is not necessary at all. I think it would be very appropriate to have a roll call on this bill to find out exactly who it was that supported the reciprocal trade treaties by so voting a few weeks ago. Then we could check up and see if they were for the treaties for everything but vegetable oils. So far as fats and vegetable oils are concerned, more of them were exported in 1948 than were imported. So it would be a good test, I am sure, to have a roll call to find out exactly where you stand on this import business.

I realize it is easy to vote this resolution without a roll call and still not be recorded against the trade treaties. I am for this resolution and voted against the New Deal brand of reciprocal trade treaties. Our vegetable oil friends are for free or freer trade except what is grown in the South.

In 1948 there were imports of \$104,596,000 worth of animal and vegetable oils and fats. There was exported \$104,000,000 worth of vegetable oil; \$420,000 worth of animal fats. Of the vegetable oil imports palm oil accounted for \$11,000,000; coconut oil, \$21,000,000, and tung oil, \$27,000,000. Butter imports were \$176,000 in value.

In 1948 there were exports totaling \$153,603,000 worth of animal and vegetable fats and oils. Of this amount exported there were \$20,300,000 worth of soy bean oil; \$3,700,000 cotton seed oil; \$9,000,000 linseed oil; oleo \$1,107,000. The animal fat and oil exports were \$87,803,000 in value, and \$70,000,000 worth of these exports was of lard.

The League of Women Voters might not be pleased to have the administration leaders use this indirect method of avoiding the effects of the reciprocal trade treaties.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, title III of the



Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title shall continue in effect until January 1, 1951, for the purpose of authorizing the exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products) and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government: *Provided, however, That such controls shall be removed as soon as the conditions giving rise to them have ceased.*

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 1, line 6, strike out "January 1, 1951", where such appears therein, and insert in lieu thereof "July 1, 1950."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time and passed.

The title was amended so as to read: "A bill to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products."

A motion to reconsider was laid on the table.

#### DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL—CONFERENCE REPORT

Mr. FOGARTY, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 3333) making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the House Calendar and ordered printed:

##### CONFERENCE REPORT (H. REPT. NO. 892)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, 12, 13, 15, 19, 26, 29, 35, 26, 37, 38, and 40.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 16, 17, 18, 20, 27, and 28, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11 and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,975,600"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$16,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$18,900,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$10,725,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$5,350,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,675,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,575,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,367,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$325,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$96,800"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 25 and 39.

JOHN E. FOGARTY,  
E. H. HEDRICK,  
CHRISTOPHER C. MCGRATH,  
CLARENCE CANNON,  
FRANK B. KEEFE,  
ERRETT P. SCRIVNER,

*Managers on the Part of the House.*

DENNIS CHAVEZ,  
PAT MCCARRAN,  
HOMER FERGUSON,  
CHAN GURNEY,

*Managers on the Part of the Senate.*

##### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon

and recommended in the accompanying conference report as to each of such amendments, namely:

##### TITLE I—DEPARTMENT OF LABOR

Amendment No. 1: Appropriates \$1,154,000 for salaries and expenses, Office of the Secretary, as proposed by the Senate instead of \$1,074,000 as proposed by the House.

Amendment No. 2: Appropriates \$1,093,900 for salaries and expenses, Office of the Solicitor, as proposed by the Senate instead of \$1,064,200 as proposed by the House.

Amendment No. 3: Appropriates \$550,000 for salaries and expenses, Bureau of Labor Standards, as proposed by the Senate instead of \$391,000 as proposed by the House.

Amendment No. 4: Appropriates \$5,506,500 for salaries and expenses, Bureau of Labor Statistics, as proposed by the Senate instead of \$5,450,000 as proposed by the House.

Amendments Nos. 5 and 6: Appropriate \$5,252,000 for salaries and expenses, Wage and Hour Division, as proposed by the Senate instead of \$5,361,000 as proposed by the House, and strike out, as proposed by the Senate, the language identifying the functions under the Fair Labor Standards Act relating to the recommended reduction below the amount in the House bill. The effect of this action and action recommended on amendment No. 3 is to transfer the youth employment and child labor research activities to the Bureau of Labor Standards.

##### TITLE II—FEDERAL SECURITY AGENCY

Amendment No. 7: Makes available, as proposed by the Senate, not to exceed \$46,000 of the appropriation of the Bureau of Employees' Compensation for expenses of the compensation Board of Appeals, instead of not to exceed \$41,000 proposed for that purpose by the House.

Amendment No. 8: Adds clarifying language to the appropriation for certification and inspection services under the Food and Drug Administration.

Amendments Nos. 9 and 10: Appropriate \$19,842,760 for grants for further development of vocational education, as proposed by the House instead of \$29,301,740 as proposed by the Senate, and restores the language of the House bill providing for apportionment to the States to be computed on the basis of not to exceed \$19,842,760.

Amendments Nos. 11 and 12: Appropriate \$1,975,600 for salaries and expenses, Office of Education, instead of \$1,860,000 as proposed by the House and \$2,009,800 as proposed by the Senate, and restore the provision of the House providing that not less than \$522,300 shall be available for the Division of Vocational Education. The amount recommended for this appropriation includes \$75,600 for the surplus property donation program.

Amendment No. 13: Appropriates \$16,000,000 for venereal diseases, Public Health Service, as proposed by the House instead of \$17,200,000 as proposed by the Senate.

Amendment No. 14: Appropriates \$16,600,000 for assistance to States (general), Public Health Service, instead of \$13,600,000 as proposed by the House and \$16,800,000 as proposed by the Senate.

Amendment No. 15: Appropriates \$7,350,000 for communicable diseases under the Public Health Service, as proposed by the House instead of \$7,450,000 as proposed by the Senate. The managers on the part of the House and the Senate are in agreement that only a portion of the reduction below the budget estimate should be applied to the malaria- and typhus-control programs.

Amendment No. 16: Appropriates \$1,200,000 for administrative expenses, assistance for hospital construction, as proposed by the Senate instead of \$1,000,000 as proposed by the House.

Amendments Nos. 17 and 18: Appropriate \$11,612,000 for mental-health activities of the Public Health Service, as proposed by the



# Appendix

## Housing Act of 1949

### SPEECH

OF

## HON. FRANK BUCHANAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1949

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

#### CONTENTS OF H. R. 4009

**Mr. BUCHANAN.** Mr. Chairman, H. R. 4009 consists of the unenacted portions of broad housing legislation that has been before the Congress for more than 4 years. The Members of this House have already heard something of the history and philosophy of this legislation, so I do not think that it is necessary to point out that what I am about to describe contains nothing that is basically new. The broad legislative proposals of which the provisions of H. R. 4009 are a part have been the subject of nearly 12,000 printed pages of testimony before congressional committees and of countless words of debate and discussion inside and outside of the Congress and have been fully considered and approved by the Committee on Banking and Currency during two sessions of Congress.

In essence, H. R. 4009 does five major things. First, the bill sets forth an essential declaration by the Congress of our national housing objectives—a declaration that is fully warranted by the importance of housing to the national security and welfare. Second, the bill authorizes Federal loans and grants essential if local communities are to make an effective start on the clearance of slums and blighted areas. Third, the bill authorizes Federal financial assistance to communities in order that they may resume local programs of low-rent public housing, which represents the only hope low-income families have of moving out of the slums and bad housing into decent homes. Fourth, the bill authorizes a comprehensive program of technical research and studies in housing, directed particularly at obtaining progressive reductions in costs which now prevent private enterprise from serving a larger portion of the housing need. And fifth, the bill provides Federal financial assistance for the provisions of decent homes for farm families who do not otherwise have the means of obtaining adequate shelter.

Thus this bill is directed at the most urgent housing needs. It is directed at conditions which, in the judgment of many of us, probably contribute more than any other factor in American life to the destruction of human values, the most precious asset in our democracy. Our Government, through its present aids for the financing of housing construction and home ownership, has gone a long way in encouraging the provision of better housing for the American people. H. R. 4009 would carry us further on the way, it would fill in important gaps affecting the families who are in the greatest need of housing improvement. The importance which the members of the Committee on Banking and Currency attached to the provisions of H. R. 4009 may be obtained from this quotation from its report:

Your committee is convinced, from the evidence presented during the recent hearings made available from previous studies of the housing problem, that this bill, in combination with existing legislation, will provide a sound foundation for a comprehensive housing program.

Before going into the substantive provisions of H. R. 4009, I should like to emphasize the importance which members of our committee attach to the declaration by Congress, at this time, of a national housing policy and objectives. Our own convictions are fully supported by the recommendations arising from the important congressional investigations of the housing problem which preceded our consideration of this bill.

Congress has been legislating on housing matters for 17 years. Underlying this legislation, in connection with both permanent and emergency programs, has been the implied recognition that the well-being and security of the homes are matters of national policy and that the stability of the home-building industry is essential to the health of the economy.

We have never had, however, a statement by the Congress of our national housing objectives or the basic policies as to the respective spheres of activity for the Federal Government, local communities, industry and labor.

The need and purpose for such a declaration is supported by this paragraph from the committee's report on H. R. 4009:

Your committee believes that such a declaration of national housing policy goal and policies is needed. It would provide a frame of reference for the use of the Congress, the administrative agencies, the local communities, and industry and labor in appraising our housing activities and progress.

Section 2 of the bill establishes as our national housing objective the attainment as soon as feasible of a decent home and a suitable living environment for

every American family. It recognizes that this objective requires the achievement of a rate of housing production sufficient to overcome the housing shortage, to replace slums and other substandard housing, and to make a full contribution toward the maintenance of national production and employment at high levels. It states that private enterprise must be relied upon to do the major part of this job and should be given all feasible encouragement and assistance by the Federal Government and calls for assistance to communities in encouraging the production of lower cost housing of good quality. The bill makes clear that Federal assistance for slum clearance and for the provisions of decent housing for low-income families, in cities and rural areas will be made available to the extent that those needs cannot be met through reliance upon private enterprise.

The bill also establishes specific standards to assure that all housing activities of the Federal Government will be administered so as to accomplish specific objectives consistent with and necessary for the achievement of this national housing policy as follows:

First. The production of housing of sound standards of design, construction, livability and size for adequate family life;

Second. The reduction of the costs of housing without sacrifice of such sound standards;

Third. The use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction;

Fourth. The development of well-planned, integrated residential neighborhoods and the development and redevelopment of communities; and

Fifth. The stabilization of the housing industry at a high annual volume of residential construction.

I should like to refer the Members of the House to the rather detailed analysis of the size of the housing need contained on pages 8 to 11 of the committee report. The committee concluded that about 17,000,000 to 18,000,000 dwellings would have to be provided by 1960 through new construction or rehabilitation in order to overcome the present shortage, meet the needs of our increasing population and replace or rehabilitate slum housing and other substandard dwellings.

As stated in the declaration, private enterprise will be relied upon to do most of the job. It is therefore particularly essential that clear lines of responsibility be established for the concerted and sustained efforts by industry, labor, communities, and the Federal Government



necessary for the accomplishment of this very large job.

The substantive provisions of H. R. 4009 deal primarily with those areas of housing need which require a very considerable degree of public action—action which must be shared on a partnership basis by the localities and the Federal Government if any substantial progress is to be made. They are in addition to the extensive Federal aids now available for those areas of need which are predominantly the responsibility of private home building and finance.

Thus, title I of H. R. 4009 deals with the clearance of slums. There is certainly no basic disagreement among us, or among the many witnesses who appeared before our committee, that the slums are an evil thing which should be eliminated.

Communities have been concerned with the slum problem as long as most of us can remember. But the slums persist because neither private enterprise nor the cities alone within their own limited resources have been able to cope with them.

I want to include later on when I get the permission of the House as part of my remarks the petitions from the American Municipal Association, from some 42 mayors and statements from mayors of the major metropolitan areas of this Nation which have been sent to the United States Conference of Mayors in which they state affirmatively that they alone in the local communities are unable to solve this problem financially without some outside assistance.

There have been many efforts made, and they are continuing, on the part not only of our larger cities but our smaller cities in clearing up the blighted areas. I am sure that the testimony of those who appeared before our committee, the social welfare groups, the representatives of veterans and labor organizations, was such that in almost unanimous accord they endorsed wholeheartedly the provisions of this proposed legislation.

There has been a lot of talk about the so-called Baltimore plan. Mayor D'Alessandro, of Baltimore, has aptly described conditions there in the following statement:

This is not a program of slum clearance and it does not purport to be such. It is more of a program of the maintenance and the enforcement of certain health and safety measures.

I quote directly from his statement in which he says that—

First aid administered in the temporary absence of a doctor in no way eliminates the eventual need for the doctor's services.

He was paraphrasing then what they have done there in the city of Baltimore. This plan has been exaggerated throughout the Nation in a fashion that possibly the industry has come to refer to the plan as the cure-all; but from the testimony of the mayor of Baltimore himself appearing before our committee he has dissipated that idea.

The elimination of slums requires a major operation—an operation consisting of the public acquisition and clearance of slum areas and making them available for redevelopment. It is an

operation that will cost too much money to make it profitable for private enterprise and that will cost too much, and requires too great an investment to be borne alone by the local communities. So Title I provides Federal financial assistance to local communities for such slum-clearance programs.

Under title I, a local public agency will be able to obtain from the Federal Government repayable loans financing the acquisition, clearance and preparation of slum areas for appropriate private or public development or redevelopment, in accordance with locally approved plans. After an area has been sold to redevelopers, or after its reuse value has been established through long-term leases, the Federal Government will make available grants absorbing up to two-thirds of the loss which the community has sustained in the entire operation. Local communities may credit as part of their share of the net cost of the projects, the cost of public improvements built to serve the project areas. Over a 5-year period, \$1,000,000,000 in loan funds, on a revolving basis, and \$500,000,000 in grants would be authorized.

It is entirely a local measure, one on which the local government, the local community, takes upon itself, with Federal financial aid and assistance, and likewise many States have enacted enabling legislation that make it possible for the States and the counties to share with the local governments in helping to solve this problem.

The benefits of this title are to be applied to acquisition, clearance and site preparation, and not to the financing of major rebuilding operations. While some cleared sites will be undoubtedly available for public housing projects at the reuse value, the bill requires maximum opportunity for private redevelopment under local plans.

The bill clearly recognizes that the very purpose of slum clearance, the improvement of housing conditions, will be defeated if adequate housing is not made available for slum families. The slum-clearance title, therefore, is placed within a bill that has as one of its major purposes the provision of such housing, in which low-income families displaced in slum-clearance projects will have first preference. Local public agencies, further would be ineligible to receive Federal assistance under this title unless they have feasible means for the temporary relocation of displaced families and their eventual permanent relocation of displaced families and their eventual permanent relocation in decent homes. Clearance of residential structures, likewise, would be prohibited until July 1, 1951, if undue housing hardship would result.

The housing purpose of the program is further recognized by the limitation of financial aid to areas which either are predominantly residential before clearance or are to be redeveloped primarily for residential use.

Some have wondered why open urban and suburban land has been brought within the scope of the slum clearance program. This is in clear recognition of

the fact that an adequate program of slum clearance will require the dispersion of a part of the population from central city areas. To assure that land will be available for the provision of housing for these families, title I authorizes temporary loans for the acquisition and preparation of such sites for redevelopment. Grants would not be available for open land, however. Temporary loans may be used also to finance schools and other public facilities serving open sites for a limited period until permanent refinancing through local bond issues could be arranged.

I have already indicated to you that the crux of the slum problem is the provision of decent housing for low-income families who live in slums because they cannot find adequate housing elsewhere at the rents and prices which they can afford to pay. The same applies to other low-income families, in urban and rural areas who live in bad housing.

Despite high postwar levels of employment and income, the Bureau of the Census showed that in 1947 nearly 20 percent of urban families had money incomes of less than \$2,000 and over 30 percent had incomes of less than \$2,500.

During the recent hearings, our committee heard abundant testimony of the accomplishments of private enterprise. But we did not hear convincing testimony that private enterprise is supplying any substantial amount of decent housing for these families, who can pay an average of only about \$27 per month rent, including heat and all other utilities. On the other hand, the overwhelming evidence is that the lack of such private housing is the reason why such families are continuing to live in slums and other bad housing conditions. The committee summarized its findings as follows:

The testimony presented to your committee makes it abundantly clear that the great majority of the families living in the slums do so only because they cannot afford to pay what private enterprise must charge for decent existing housing. The rents which they can pay represent an even smaller portion of what private enterprise would have to charge on the basis of a sound economic return if it were to supply new housing for these families from the slums.

#### TITLE II—COMMENTS ON LOW-RENT PUBLIC HOUSING

On the other hand, we found that the low-rent public housing assisted under the United States Housing Act of 1937 is providing decent housing for low-income families. Evidence presented to your committee showed that the median income of families residing in this public housing during the first half of 1948 was \$1,884 and that the average rent being charged was \$27.24 per month, including substantially all utilities. This was less than the rents being charged for substandard housing in urban areas. This record was being achieved despite the continued occupancy of some over-income families, who pay proportionately higher rents, due to war conditions and actions by the last Congress prohibiting the removal of such families from public-housing projects. The median in-



come of families admitted to these projects during the first half of 1948 was even lower, \$1,481.

We heard of no alternative that offered any prospect of achieving better results.

H. R. 4009, therefore, in title II would authorize the expansion of the financial aids to local public agencies contained in the United States Housing Act to permit the provision of 1,050,000 additional public-housing units over a 7-year period. This housing could be started at the rate of 150,000 units per year, but the President would be authorized to decrease or increase the annual rate—but not the total authorization—by 100,000 units per year.

The size of the program represents the principal difference between H. R. 4009 and a similar bill passed by the Senate, S. 1070, which authorizes a 6-year program of 810,000 units. We feel that the clear evidence of urgent need, together with the lack of any prospect of any other relief for these families, fully warrants the larger program contained in H. R. 4009.

The principal financial assistance for low-rent public housing authorized in this bill consists of annual contributions which, when the housing is completed, could reach a maximum of \$400,000,000 per year. These contributions, together with local tax exemption, make it possible for the housing to be made available at rents which low-income families can afford to pay.

Experience with the present program indicates, however, that in normal years not more than two-thirds to three-fourths of the maximum Federal contributions will be required.

Under title II, the low-rent public housing title, we heard the chairman of our committee announce to the House membership here prior to going into the Committee of the Whole of the agreement that was reached so far as the program that we adopted in the committee is concerned. We had adopted a 7-year program covering some 1,050,000 units. The other body had passed earlier a 6-year program covering some 810,000 units.

The chairman and the Democratic membership, as well as a number of those on the Republican side who have expressed concern about the large number of units, stated that they would be in agreement with the program providing the number of units were reduced to the number adopted in S. 1070. This has been agreed to and at the proper time an amendment will be offered to that effect.

It is the full intent of H. R. 4009 to extend the benefits of low-rent public housing to nonfarm families living in rural areas who presently live in some of the Nation's worst housing. To insure that this intent shall be carried out, title II on page 42 of the bill provides a 3-year reservation of 10 percent of the authorizations for annual contributions contracts for rural housing. The bill, on page 48, also provides for the transfer of farm labor camps now administered by the Secretary of Agriculture to the Public Housing Administration

for use as low-rent housing and authorizes the latter to give preference to and in some cases reserve the projects for migratory agricultural workers and their families at rents which they can afford to pay.

I should like to answer some statements that have been made in regard to room-cost limitations.

At the beginning of this year, a number of local housing authorities requested original contractors to reestimate existing projects on the basis of the cost levels prevailing at the end of 1948. In a spot survey covering some 35 projects in various geographical areas it was found that in readjusting their costs as of the original construction date to our present-day costs of materials and labor, only in the case of 5 out of the 35, or less than 15 percent of the projects that were examined, would it be necessary to use the maximum cost limitation per room as written in the provisions of title II. And that, in two-thirds of the projects examined they could be constructed with a room-cost limitation of somewhere less than \$1,750. So it is in error, as has been alleged and stated fallaciously, in using the total over-all maximum figure of \$12,500 or \$15,000 for a five-room unit, that the total cost of this program would reach a maximum of some \$400,000,000.

On the basis of this survey the average cost would be less than \$8,500, including, of course, land as well as building costs, and this would vary in different sections of the country, depending upon costs in the various geographical areas.

Likewise, in the consideration of this title we have a basis of experience in which we now have some 152,289 low-rent housing units which require a direct annual subsidy from the Federal Government. We set up in fiscal 1950 the sum of \$5,000,000 against what could have been a theoretical maximum of \$21,871,284. So all of these claims that this project will reach the maximum figures are utterly false and misleading, because we have a basis of experience of the existing program to make reasonable estimates.

With the amendments in this bill perfecting the security of local housing authority bonds, we expect that the local authorities will be able to obtain practically all their capital financing from private lending sources and that there will be few calls for Federal loans. The availability of Federal advances, however, must be pledged in order to obtain low interest, temporary private loans during construction. This has necessitated an increase in the total loan authorization to \$1,500,000,000 from \$800,000,000 for the new program and the placing of this authorization on a revolving fund basis.

This requires an additional \$700,000,000 for use as a revolving fund. A loan that is repayable.

This item has been carried as an overall cost item by the opponents of this legislation.

I have already spoken of the fact that the present low-rent public housing program is providing decent homes for low-income families who would not otherwise have adequate housing and that it is in

no sense competitive with private enterprise, except the segment of private owners who profit from slum conditions. To further assure that the additional program will benefit only inadequately housed low-income families and that it will not be competitive with decent private housing, H. R. 4009 contains some additional limitations. We require that a gap of at least 20 percent be left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing, through new construction and available existing structures, a substantial supply of decent, safe, and sanitary housing. The local authorities must establish maximum income limits for admission and continued occupancy and must remove from the projects families found in annual reexaminations to be ineligible. We require that tenants be selected in accordance with most urgent housing needs and that there be no discrimination against welfare families.

These provisions, in combination with the requirement that the incomes of families—except for an allowance of \$100 per year for each minor dependent—may not exceed five times the rent, provide statutory assurance that the low-rent housing assisted under this bill will be made available only to low-income families who are presently inadequately housed. The \$100 allowance for minor dependents, of course, is in recognition of the greater difficulty low-income families with children have in making ends meet and in finding adequate housing.

Families displaced in slum-clearance projects will have preference over other low-income families. Among either group disabled veterans of World War II, families of veterans and servicemen who died from service-connected causes, and other veterans and servicemen shall have preference in the order named.

I am not going to go into detail on the changes in the construction-cost limits, which are fully explained in the committee report. These revisions take into account the increases in construction costs which have occurred since the United States Housing Act was enacted in 1937, make possible the more adequate provision of housing for larger families and recognize that there is no substantial variation in costs between larger cities like Pittsburgh, Pa., and smaller cities in the same areas like McKeesport. I should like to comment on the maximum cost limits established under the bill, since so much comment has been raised concerning them.

The new maximum per-room cost limit is \$1,750 per room, exclusive of land and nondwelling facilities, in contrast with the previous limitations of \$1,000 and \$1,250 per room. This increase is substantially less than the actual rise in building costs which has occurred since 1937. The PHA Commissioner is authorized to increase this limitation to \$2,500 in certain unusual high-cost areas. The recent experience of local authorities in high-cost areas has fully demonstrated the necessity of the latitude permitted in this bill if low-income families



in these cities are to receive the benefits of this legislation.

Much has been made of the fact that under these limitations a 4-room public-housing unit could cost, exclusive of land and nondwelling facilities, as much as \$10,000, whereas the average total cost of a private-rental-housing project receiving the maximum benefits of FHA insurance could not exceed \$9,000. First I should like to point out that this maximum cost—and it is a maximum cost which in contrast to FHA-assisted private rental housing would apply only to certain high-cost areas—the general limitations of \$1,750 per room would not permit the construction cost of a four-room unit to exceed \$7,000. I am quite confident that an analysis of typical FHA rental-housing projects would show that the apartments are not averaging more than four or four and a half rooms. The limitations on annual contributions in this bill, furthermore, would not permit 1,050,000 public-housing dwelling units to be provided at an average total cost, including land and all other facilities, in excess of \$8,500 per unit.

The further fact is that projects developed up to the war were built at a total development cost averaging \$4,649 per unit, an extremely low figure considering the fact that the projects were generally fireproof and designed for a long economic life, that the costs in many cases included the acquisition and clearance of slum sites and that they frequently covered investments in certain features, like internal utility distribution systems, which have paid big dividends in lower operating costs.

The act requires that the projects shall not be elaborate or expensive and that economy shall be promoted in construction and operation and H. R. 4009 further requires the advance approval by the Public Housing Administration of all main construction contracts.

Altogether past experience and the requirements under the act will assure that the public housing will be built economically. Considering the fact that they must apply to the entire country, the dollar cost limitations are reasonable. Any lower or more restrictive limitations, in my judgment, would either deny the benefits to low-income families in many areas or would so reduce standards of construction as to increase the costs of maintenance and thus the amounts of annual contributions that would have to be paid. A few additional dollars wisely spent in construction will pay for themselves many times over in the savings in maintenance costs.

#### TITLE III—HOUSING RESEARCH

The whole problem of costs, for private as well as for public housing, is one that requires a separate and coordinated effort under the leadership of the Federal Government. Such an approach is contained in title III of H. R. 4009 which authorizes a comprehensive program of housing research.

One of the primary reasons why Federal financial assistance is needed for the programs which I have just described is the inability of the housing industry over the years to produce housing of

good quality at a price or rent within the reach of a majority of families. The high cost has limited the market for new housing to perhaps the top third of the income range and has prevented the development of any effective private enterprise technique for the replacement of worn-out and substandard used housing.

Studies conducted by several congressional committees have made it clear that the lagging progress in this direction stems largely from the complexity of the housing industry and the fact that it is preddominantly comprised of small business firms with insufficient resources to undertake the kind of research that has resulted in the impressive technical progress in other industries of comparable over-all size.

The necessity for Federal leadership and assistance in housing research was emphasized by the Joint Committee on Housing. In this connection, I would like to read this brief excerpt as follows:

There should be provided the basic authority for a program of technical housing research and studies within the Housing and Home Finance Agency to initiate and coordinate research activities aimed at the reduction of housing costs through the development and acceptance of more efficient home-building techniques and methods, and new materials and equipment, utilizing fully existing private and public research and testing facilities and placing special emphasis on promoting the development and adoption of improved and standardized building codes and stanardized dimensions and methods for the assembly of home-building materials and equipment.

These findings have been fully substantiated during the hearings and studies concluded by our committee. They are demonstrated by the fact that there are rows of unsold new houses in key cities over the country because inflated construction costs, high prices, and buyer resistance have kept these houses from finding purchasers. Your committee received evidence that many builders are abandoning or curtailing their operations because of these conditions. This situation, in the face of the continuing needs of several millions of veterans and others for decent places in which to live, epitomizes what has been wrong for many years with our housing situation. The reason we have slums and overcrowding and doubling up is that we have not yet produced homes that enough people can afford to buy or rent.

The most important purpose of the research title is to seek the means of bringing housing costs down to a closer relationship with average consumer incomes and of developing the housing industry more in line with the Nation's large long-range housing needs. The Housing Administrator would be directed to encourage the development of new and improved techniques, materials, and methods which will result in better products at reduced costs and to demonstrate them and promote their acceptance. The present research program limited to building codes and modular coordination would be retained under the pending bill. Also authorized is the development of more precise economic and market data on housing which is badly needed

by the industry, communities, and the Federal Government.

What this title does primarily is to provide leadership in housing research which no single element in the industry is able to provide and which is presently lacking in government. The bill contemplates that the Administrator will utilize to the fullest extent existing research facilities available in government, educational institutions, and other nonprofit organizations.

The importance of such a program in reducing costs and thus expanding housing production justify the enactment of this title and the assurance, when annual appropriations are considered, of sufficient funds to permit it to go forward.

#### TITLE IV—FARM HOUSING

Title IV would deal with a separate and distinct phase of the housing problem—the problem of providing decent farm housing. The urgent need for such a program is stated by the committee, as follows:

Despite this relatively improved financial position for farming as a whole, a large proportion of our farm families is still unable to obtain adequate housing. The committee is informed that even in 1947 more than 2,000,000 farm families produced farm products valued at less than \$1,500. It seems evident that most of these farm families would not be able to improve their housing conditions without financial assistance along the lines provided for in this title of the bill.

Title IV is directed principally to assisting self-sufficient or potentially self-sufficient farmers who are unable otherwise to provide adequate housing and other necessary farm buildings for themselves or for their tenants, sharecroppers, or laborers.

In the case of a self-sufficient farmer, the assistance would be in the form of 33-year loans, with a maximum interest rate of 4 percent, to finance such improvements. The farmer's equity in his farm could provide the security for the loan.

If, however, the farmer's income was presently insufficient to carry the loan, but if he agrees to carry on a program of farm enlargement, improvement, or adjusted practices that will put him on a self-sufficient basis, the loan could be supplemented by annual contributions, for not more than 10 years, to be applied as a partial credit on debt service on the loan.

While it is not feasible or desirable to finance new permanent improvements on farms which are not presently or potentially self-sufficient, we believe that it is essential to eliminate conditions on such farms which are hazardous to health and safety. Title IV, therefore, provides loans and grants for minor improvements, such as roof repairs, safe water supply, sanitary privies, screens, and building supports which will remove such hazards and protect the occupant's property. The maximum assistance for such purposes to any farm, dwelling, or building may not exceed \$1,000 of which not more than \$500 may be a grant, and the maximum available to any individual may not exceed \$2,000.

The bill authorizes loans which may reach a maximum of \$250,000,000 after



the fourth year, annual contributions not exceeding \$5,000,000 in any year and grants totaling \$12,500,000.

The financial aids will be administered through the Farmers' Home Administration in the Department of Agriculture, since they are closely related to other programs of this agency. The Secretary of Agriculture is authorized, in addition, to expand existing technical services to farmers and to conduct a broad research program, both pointed toward more efficient and economical construction of farm houses and buildings.

While the financial assistance authorized in title IV is modest in relation to the farm housing need, it will permit substantial progress to be made in improving conditions on farms.

#### TITLE V—MISCELLANEOUS PROVISIONS

I take time to mention only a couple of of the miscellaneous provisions contained in title V.

In retaining in H. R. 4009 the authorization to the Bureau of the Census to conduct a census in 1950 and every 10 years thereafter, our committee was fully conscious of the recent action of the House in approving such a census in 1950. Our motive is twofold. First, we have been impressed with the urgency of authorizing the 150 census, because of the huge job of preparation facing the Census Bureau. The authorization contained in H. R. 4009 is the same as that contained in S. 1070, the similar bill which has already passed the Senate. On the other hand, the separate bill passed by the House, H. R. 2203, has not yet been scheduled for consideration on the crowded Senate Calendar. We believe, therefore, that quicker action can be anticipated if this authorization is retained in H. R. 4009.

The second point is that the practically unanimous support given to the housing census justifies the authorization for a periodic census of housing after 1950.

The other provisions which deserve comment are those permitting agencies in the District of Columbia to participate in the slum-clearance and public-housing programs authorized in the bill. By restoring to the National Capital Housing Authority the power to acquire sites for low-rent public housing, section 508 would put this authority on the same basis as local authorities in other cities.

Section 509 would not change the present District of Columbia Redevelopment Act, but would provide an alternative method of financing slum-clearance projects so that the Redevelopment Agency could participate in the benefits of title I of this bill.

In view of the deplorable slum conditions within the shadow of this Capitol Building, it would be most inappropriate for the Congress to deny to the District of Columbia the opportunity to participate on an equal basis in the benefits of legislation applicable to the rest of the country.

Mr. Chairman, the need for this legislation has been demonstrated time after time by studies conducted by the Congress. It has the strong support of citizens' groups, veterans' organizations, labor organizations, civic and professional organizations, and the mayors and other

local officials throughout the country. I am confident that this House will respond to the wishes and needs of the people and promptly enact H. R. 4009.

Out of the dust and ashes of the bombed areas of Europe the coming years will see the building of some of the greatest cities the world has ever seen. The new Warsaws, Rotterdams, and Coventrys will rise with majestic grandeur from the devastation and ravages of war. Our Government is helping to make this possible. And while this is happening, are we here in America to witness the gradual decay of our own great cities and the continued development of slums and blighted areas in which no human being should be expected to live? Certainly that is not the American way, and we must show to the world that we can meet this challenge here at home.

#### STATEMENTS WITH REFERENCE TO SLUM CLEARANCE AND HOUSING NEEDS IN TYPICAL AMERICAN CITIES

(Compiled by Paul V. Betters, executive director, the United States Conference of Mayors)

##### BIRMINGHAM

The housing and slum-clearance bill up for consideration this week in the House is one of the most vital needs of the cities of our country. We urgently recommend its passage and as president of the United States Conference of Mayors, and in behalf of the United States cities, we respectfully ask of the House that they give this bill their earnest consideration, and we pray for the passage of this act, because from the slum areas of the cities we know crime, communism, and disease thrive and prosper. Housing in many cities is a dire necessity due to crowded conditions, especially in the lower-income groups. Sixty percent of the population of our country live in urban areas today, and we the mayors of the American cities deplore the slums and the housing situation, but financially we can do little without the passage of the housing and slum bill. We appreciate deeply all efforts to eliminate this cancerous growth on our American way of life. (W. Cooper Green, president, United States Conference of Mayors, mayor of Birmingham.)

##### PITTSBURGH

Pittsburgh desperately needs housing action contemplated in H. R. 4009. Our local housing authority has long had applications pending for 7,000 low-rent homes. Our actual need is much greater. And it is my hope that we will double that figure when the bill is passed. Present new housing in Pittsburgh is not being built within price range of low or even little income families. Only public housing can meet needs of the lower-income groups and wipe out once and for all the slum environment which has been a blot on the boasted American way of life. For private housing developments the urban redevelopment sections of the bill are vital to restore solvency of American cities. Blighted areas must be cleared and rebuilt. We in Pennsylvania are combining State and city action for this purpose, depending on Federal aid to complement our program. I am sure that every public official in the city administration joins me in urging prompt approval of H. R. 4009. (David L. Lawrence, mayor, city of Pittsburgh, vice president, the United States conference of mayors.)

##### BALTIMORE

Housing bill H. R. 4009 offers best opportunity ever for cities such as Baltimore to carry out badly needed slum-clearance and redevelopment program. Our plans have been under way for a long time and we now urgently need financial assistance provided

in H. R. 4009. Provision of adequate quantity of low-rent public housing for families of low income absolutely necessary in connection with slum-clearance and redevelopment program. Housing shortage in Baltimore still acute. Although high home-building rate in Baltimore area last 2 years, new houses started were 6,000 below increase in family formation. Large proportion of dwellings too high priced for most families. Slight increase available rental units does not meet demand of moderate- and low-income groups, either in quantity or in price. Housing authority has about 20,000 applications on file. Over 8,000 new applications received at housing authority last year. Recent survey of applicants shows more than two-thirds have total family incomes below \$2,500. Over nine-tenths of all applicants lived under substandard conditions. Fifteen percent of applicants were eviction cases. Poorly housed low-income families in dire need of decent houses constitute bulk of applications on file. Steady flow of new applications is thus good index of continuing need for decent low-rent public housing in Baltimore. Passage of H. R. 4009 only way to provide for desired goal of slum clearance, redevelopment, and additional good housing for low-income families. (Thomas D'Alessandro, Jr., mayor of city of Baltimore, chairman of standing committee on legislation, United States conference of mayors.)

##### NEW YORK CITY

The housing shortage in New York City has been one of our most critical problems since the end of the war. Every action open to the city has been taken since January 1, 1946, and we have put under construction the largest program of low-rent housing ever attempted. Despite a record building program, New York City needs the help of the Federal Government to make any real headway in solving its serious problem of housing for families of low income.

The housing and slum-clearance bill reported by the House Committee on Banking and Currency is an excellent bill. It offers real hope of decent homes to the Nation's lowest-income group. New York City is prepared to put its share of housing in planning immediately. We have sufficient construction firms and labor to build at least 10,000 apartments each year of the life of this program, in addition to our present construction program.

New York City recommends approval of the slum-clearance provision now in the House bill. Large areas of slums in New York City need clearance and redevelopment. The bill would permit a large amount of such work which could not be done without Federal assistance.

By passing the pending housing bill, Congress will take a positive step toward solving the housing crisis. (William O'Dwyer, mayor of New York City.)

##### PHILADELPHIA

The city of Philadelphia is doing everything humanly possible to recreate here the best possible environment for living and working. Because of financial limitations, it will be necessary to have the assistance of the Federal Government if we are to achieve our high goal of civic improvement.

In the program of redevelopment of old areas, Federal assistance will be necessary in helping to meet the cost.

This same assistance must be forthcoming to solve the problem of production of an adequate quantity and quality of housing for all elements of our population, especially for families of low income.

Better housing conditions and slum clearance, of course, would be reflected in the cost of the operation of our police and fire units. Bright, cheerful homes, and adequate space for recreational activities would go a long way toward reducing delinquency among the youth of the city.



The method for giving us the required Federal assistance will be for Congress to determine. (Bernard Samuel, mayor of Philadelphia.)

## DETROIT

Housing shortage Detroit City, estimated at 50,000 families lacking own home, living in rooms, trailers, or with another family. Additional 48,000 dwelling units needing major repairs or lacking water or minimum sanitary facilities. Present waiting list eligible families for public housing 8,700 families is highest ever, despite efforts of local authority to discourage applicants. Expressways, slum clearance, playgrounds, and other public improvements already programmed expected dislodge 10,000 families next 5 years, of whom estimated 6,000 eligible public housing. In addition 6,500 families in temporary war and veterans' housing to be rehoused. Estimated 40,000 families in Detroit have annual income below \$2,000 and additional 70,000 between \$2,000 and \$3,000. Thus, approximately 100,000 families eligible public housing. Immediate need for low-rent housing conservatively estimated 50,000 families. Now have 5,000 permanent public housing units. Seven thousand three hundred and seventy-six private housing started year ending March 1 were only 45 percent previous 12 months. Total new multiples for rent started were 635. Virtually no rental housing built since war rents below \$80 per month, 85 percent of it rents \$90 or more, median rent available homes over \$100. Slum-clearance program essential to preserve city's tax base. City plan commission has designed 2,520 acres in need redevelopment. Present annual average tax revenue \$864 per acre. If privately redeveloped would yield \$2,304. Increase would pay city's third net project cost in 10 years. Public housing 10 percent shelter rent in lieu would amount to \$700 per acre. Redevelopment 80 percent private, 20 percent public housing, would pay city's share costs in 12 years. Data juvenile delinquency, health, fire costs, and so forth, and more detailed data of above summary has been transmitted to our Congressmen. (Mayor Eugene I. Van Antwerp.)

## SAN FRANCISCO

San Francisco housing shortage still acute. No exact data available but vacancies hard to find anywhere in bay area. San Francisco Housing Authority waiting list 3,521; 7,700 temporary dwellings and 1,750 low-rent dwellings fully occupied. Housing authority has removed over half of families ineligible because of incomes over income limits; is removing more each month. San Francisco real-property survey, 1939, revealed approximately one dwelling of every six was substandard. Ratio today probably about the same. Low-rent-housing market analysis, 1945, showed approximately 26,000 families in need. Housing authority contemplated 5,000 new low-rent dwellings if housing bill enacted. This housing essential to relocated families living in areas scheduled for redevelopment. Redevelopment areas expensive to acquire and clear. City will need Federal loans and capital rent subsidies to enable private enterprise to rebuild in blighted areas. San Francisco planning and housing association, citizen's group 1947, compared same-size good and bad neighborhoods. Studies showed the following: Bad neighborhood, 100 juvenile delinquents; 762 public welfare cases; 4,771 adult arrests. Good neighborhood, 17 juvenile delinquents; 38 public welfare cases, 39 adult arrests. Bad neighborhood had twice the fires, 36 times as many tuberculosis cases; 66 times as many city hospital cases; 3 times as many babies died. Municipal service in bad neighborhood cost \$750,000; in good neighborhood \$86,000. Tax revenues from bad neighborhood were \$370,000; in good neighborhood, \$543,000. Bad neighborhood is in area designated for re-

development. San Francisco Board of Supervisors passed resolution endorsing H. R. 4009, Housing Act of 1949. (Elmer E. Robinson, mayor of San Francisco.)

## BOSTON

Please record my wholehearted support of H. R. 4009 which it is expected will reach the House floor this week. Boston is 300 years old and possibilities of clearance of substandard areas and erection of new housing for low-income families with Federal aid would be a boon to this city. These twin problems are so great that this city cannot solve its problem alone. The Federal Government with broader tax base is better equipped to give substantial help. Conservative estimates indicate 50,000 substandard homes in Boston out of 210,000 dwelling units or 24 percent, with depreciation and obsolescence growing daily. In this city 14,000 dwellings now standing were built before 1860. Thirty-seven thousand built before 1880, 80,000 or 38 percent, built before the turn of the century. Only one family out of five owns its own home, making Boston a city of rent payers. Whole areas of the city are in need of clearance, replanning, and redevelopment. Boston Housing Authority in receipt of 21,200 applications for tenancy between VJ-day and November 1948, at which time applications were shut off because of utter inability to offer hope to sorely pressed citizens, great majority of which are veterans with young families. Ten thousand new families formed in this city between decennial censuses of 1930 and 1940 with 10,000 marriages above average in 4 war years. Vacancies practically nonexistent here. Courts are clogged with eviction cases and are authorized by legislation to grant up to a year leeway before families are required to vacate. I have authorized expenditure of \$20,000,000 city funds for housing and State program in Boston authorizes an additional \$48,000,000, which, together only begins to solve the problem. Boston can use many millions of Federal aid to help in solving its problem. Urge the honorable, the Members of the House to pass H. R. 4009 substantially as written. Would, however, request that construction cost limits, which finally made United States Housing Act of 1937 unworkable, not be included in legislation. Better that such limits be tied to regional construction costs limits or left to administrative discretion. This is an excellent opportunity for the House to enact legislation to provide homes for good Americans, and thus bulwark the Nation against inroads of atheistic communism which nurtures where poor housing conditions exist. (James M. Curley, mayor of Boston.)

## CHICAGO

Following resolution was passed by the city council memorializing Congress to enact Housing Act of 1949:

"Whereas the city of Chicago faces an acute shortage of housing accommodations for its many citizens; and

"Whereas the lack of adequate housing is a continual threat to the health and well-being of many of our citizens; and

"Whereas the people of the city of Chicago have expressed their determination to assist to the limit of their financial ability in the construction of new housing and eradication of slum areas; and

"Whereas the mayor's program for housing, approved by the City Council of the City of Chicago, calls for liberal Federal assistance in carrying out this program: Be it therefore

"Resolved, That the city council do hereby endorse House bill No. 4009, known as the Housing Act of 1949, which provides (1) Federal aid to localities for the clearance of slums in blighted areas; (2) Federal assistance for a low-rent public-housing program; (3) an expanded program of housing

research designed to stimulate new methods of construction; and, (4) a farm housing program; be it further

"Resolved, That copies of this resolution be sent to all of the Congressmen from the Chicago district." (Martin H. Kennelly, mayor.)

## CLEVELAND

Cleveland's housing shortage continues in severity particularly among low-income families. Four thousand five hundred families of veterans of World War II still currently contacting our municipally operated veterans housing service. Three thousand temporary housing units cannot be removed until decent housing is available to occupants. Thousands of substandard houses in slums cannot be demolished until dwelling available for present occupants. Acres of slums cannot be cleared for private redevelopment under our master plan and our State urban redevelopment law unless realistic provision for construction of housing for low-income occupants can be planned. Practically no private rental housing being constructed and houses constructed for sale are in \$9,000 or over class. Passage of H. R. 4009 imperative for our community before it can clear its slums, making housing available for low-income families, remove temporary structures, and relieve housing problems of deserving veterans. (Thomas A. Burke, mayor of Cleveland.)

## PORTLAND, OREG.

Portland population increase of over 49 percent since 1940, and the disastrous flood of 1948 which wiped out over 5,300 public-housing units then fully occupied, have combined to make the housing need here acute. Over 7,000 units of temporary housing are still fully occupied with long waiting list. We estimate the greatest need is for houses under \$5,000 which private industry is not interested in producing. Maintenance of community living standards requires that adequate provision for housing of the low-income groups be made through immediate passage of pending Federal legislation. (Dorothy McCullough Lee, mayor of Portland, Oreg.)

## MILWAUKEE

Estimated need for 5,000 additional units in Milwaukee to ease housing shortage. Estimate additional 35,000 units needed to replace substandard units. Approximately 20,000 units should be low rent. Without Federal aid it is impossible to build housing for those families which are low income. In 2 weeks' time received almost 4,000 active applications for 578 units of veterans' permanent housing, also have received almost 1,000 applications for 232 low-rent slum-clearance units. City has almost exhausted its own resources in building veterans' permanent housing. Seventeen thousand veterans' applications on file with Red Cross bureau. Approximately 30 percent of city is blighted. Average weekly wage of skilled labor about \$60, meaning worker can afford only \$6,000 home. Lowest cost house at present level about \$7,000, effectively blocking individual ownership because banks won't lend. Private rental units are \$90 monthly and up. Greatest need in \$50 to \$60 bracket. Private builders not interested in slum clearance unless with Government subsidy. Present vacancy rate about four-tenths of 1 percent. (Frank P. Zeidler, mayor of Milwaukee.)

## KANSAS CITY

Kansas City has at present no public-housing program. We are greatly in need of such enabling legislation. Housing authority and city plan commission estimate need for 4,500 units low-rent public housing. Kansas City's blighted areas cost city approximately 45 percent of city service costs and contribute only 6 percent real-estate-tax revenue. It is estimated 33 percent of population resides in blighted areas which account for five times



city average of TB cases, 6 times the juvenile delinquency cases, 8 times the fire calls, and 10 times the police calls above the city average. Sixty-nine and nine-tenths percent of commitments to local penal institutions are of persons residing in these areas and 74 percent of all new parole and probation cases are from same districts. (Mayor William E. Kemp.)

## CINCINNATI

Housing shortage here dangerous and unabated so far as low-income families are concerned. Overcrowding in this group at all-time high. Need estimated at four or five thousand low-rent public housing units during next few years. Our public health federation studies show white mortality in our slums three times higher for tuberculosis, pneumonia, and home accidents than in rest of city. In one of our slum-clearance projects, Laurel Homes, tuberculosis, pneumonia, infant mortality rate, crime rate, and fires per 1,000 dwellings less than for city as a whole. (Albert D. Cash, mayor.)

## SEATTLE

Recent Seattle market survey completed this year by city and University of Washington shows 14,750 substandard units in Seattle proper of which 5,300 are tenant occupied by families of two to six persons. Recent study by Seattle Housing Authority based on figures revealed in market survey sets need for units to rent under \$40 per month, conservatively, at 8,839. In contrast to this need, survey conducted early this year by VFW shows that of 261 units one to three rooms advertised for rent 74 percent rented for \$50 or more while of 241 units four to six rooms 94 percent rented for \$60 or more. Our authority still receiving 120 applications weekly on average from veterans unable to afford market price for decent housing. In light of these facts, need for slum clearance to wipe out substandard housing and construction of housing for low income appears obvious. (William F. Devin, mayor, city of Seattle.)

## MINNEAPOLIS

Four years after the war the housing shortage still exists in Minneapolis. Many examples of suffering and crowding still remain. The office of the Housing Administrator has a backlog of 2,200 applicants for housing. Sixty percent of these applicants are members of the marginal income group, with an annual income below \$3,000. Ceiling prices of old homes have not decreased sufficiently for members of this group to make purchases, nor are they capable of buying new houses. The city welfare department with many indigent and others unable to command housing, is hard put to find shelter for those on relief. Families of six and eight people are often housed in hotel rooms.

Veterans' groups are grateful for the temporary housing which was established in Minneapolis. However, the discomforts of such housing are more evocative of wartime life than the years of peace. Upon these veterans will fall the continued problems of housing unless permanent housing is provided for them and other people in Minneapolis.

Three thousand six hundred and seventy persons now occupy temporary housing units; 2,045 of this group are children, inheritors of the suffering indigenous to life among the prefabs and temporary housing units.

Between 1,000 and 2,000 low-rent housing units are needed in Minneapolis. The import of the term "low rent" is best exemplified in the statistics of a survey made by the Minneapolis Housing and Redevelopment Authority. The surveyed area included a blighted section on the near north side of Minneapolis. A income group pays \$38 per month rent in this area; B income group pays \$30, and C income group, comprising one-fifth of the entire group, pays \$21 per month. However, slum clearance cannot be

effected without appropriate plans in hand for the establishment of low-rent housing units in the area cleared. Such a program of clearance and of redevelopment is hamstrung in Minneapolis by the lack of Federal funds. The tragedy of this situation is that substandard dwellings will have to remain to provide shelter. Such inadequate shelter has always been the breeding ground of juvenile delinquency. Families who live in such homes are highly susceptible to disease, just as they also become susceptible to criminal activities. Poor housing leads in part to increased cost in maintaining penitentiaries. Three statistics on the Sumner field housing project show that since the establishment of the project the number of fires in the area decreased one-third. Dollar loss per fire decreased between 1940 and 1948 to \$36 per fire, as compared to \$193 in the area previous to redevelopment. Police cost in the area dropped 90 percent. Prof. Stuart Chapin of the Department of Sociology at the University of Minnesota in his survey of the project in 1940 pointed out that people living in the Sumner field units developed twice as much social participation in the civic affairs of the neighborhood and city. This increased not only the moral tone of the city but the lives of these people. This comparison was made in terms of the people occupying substandard shelter in surrounding blighted areas.

The need for low-rent housing should be considered primarily in terms of the American principle of preserving American family life. Home life is the basis of family life, and the destruction of family life spiritually and materially has too often been caused in the years since the war by inadequate dwellings. (Eric G. Hoyer, mayor.)

## ATLANTA

The city of Atlanta is vitally interested in the passage of a comprehensive housing and slum-clearance bill. There is still great need for housing in the low-income class both white and colored. Also there are still large slum areas which need clearance in the central and semicentral portion of the city. There are thousands of applications for the housing units we now have which cannot be filled. Quite a number of apartment buildings have been built in Atlanta under FHA loans, but they are too far out in the suburbs to serve our working people and those of moderate income. Also the rents are completely above the low-income class. The city of Atlanta has great need for an additional program of slum clearance and low-cost housing. (William B. Hartsfield, mayor of Atlanta.)

## TOLEDO

We cannot too strongly emphasize the importance of legislation assisting cities with the elimination of slums and construction of housing for persons of low income. Today the most valuable areas in Toledo from the standpoint of facility and proximity to the center of activity are occupied by slums which create real problems in law enforcement and health. (Michael V. DiSalle, mayor, city of Toledo.)

## MEMPHIS

Because the central portion of Memphis is traversed by five major bayou systems the adjacent areas invited construction of poorest type of shelter. Most of the so-called housing was provided more than 40 years ago and represents nearly 14,000 units unfit for repair in an area of more than 7 square miles. No slums have ever been cleared here except through public improvements and building of five public housing projects. Believe private enterprise would cooperate in redevelopment if slum sites could be made available at reuse values. Memphis needs at least 7,000 low-rent public-housing units and should apply for at least half that number if present legislation is enacted. The existing

public housing program of 3,300 units is divided 28 percent for white and 72 percent for Negro occupancy and future programs, based on need, should be apportioned likewise. (Watkins Overton, mayor, city of Memphis.)

## MIAMI

Our city commission has endorsed by resolution Senate bill 1070 and H. R. 4009. Consider its passage paramount; its defeat a calamity to this community. Recent survey 2 principal Negro slum areas reveals 9,500 families in slum dwellings, 6,000 of whose incomes are so low as to require public housing large projects. Public housing for Negroes on vacant land must precede slum-clearance undertaking, making housing available to displaced families. Also large segments white population here living under slum conditions. This community pleads for favorable House action H. R. 4009. (Robert L. Floyd, mayor of Miami.)

## NEW HAVEN

The city of New Haven is urgently in need of a large number of low-rental units. This can be achieved by the passage of housing and slum-clearance bill—H. R. 4009—which comes up for vote on Tuesday, June 21, 1949. In behalf of the people of the city of New Haven, may I strongly urge the House to vote favorably upon this bill. (William C. Celenzano, mayor of New Haven.)

## HARTFORD

The city of Hartford, Conn., has urged consistently the passage of Federal housing legislation to assist city governments in their slum-clearance and redevelopment programs. This city has a program of slum clearance and redevelopment planned, anticipating the enactment of Federal legislation. I sincerely hope that the House of Representatives will approve Federal legislation without delay. (Cyril Coleman, mayor of Hartford.)

## LINCOLN

Local housing authority of Lincoln has applied for 700 low-rent public units. 1940 census showed 7,000 substandard dwellings in Lincoln. A housing shortage exists here particularly in middle-class income bracket. (Clarence G. Miles, mayor, city of Lincoln.)

## BUFFALO

Regarding H. R. 4009 and Buffalo housing need. Housing inventory and population end of 1948 shows 14,000 families in excess of total dwelling unit. Estimated 30,000 families living in substandard areas of which estimated 14,000 within incomes too low for known private housing market. Local housing authority operates 2,570 permanent low-rent units. One hundred percent occupied. Average annual income tenants taken in last 6 months, \$2,004. More than 6,000 applications on file. Reaffirm local authority estimate of minimum need 5,000 additional public low-rent units as presented to Federal Public Housing Administration in 1945. (Bernard J. Dowd, mayor of Buffalo.)

## GALVESTON

Housing shortage still acute here especially large low-income families. Urgently need 2,000 or more low-rent units. Slum clearance and public housing as in 4009 would certainly improve general health conditions, fire hazards, end crime incidence. Juvenile delinquency would receive staggering blow under improved family living conditions. Present program proves these points. Bill badly needed, we urge quick passage. (Herbert Y. Cartwright, Jr., mayor of Galveston.)

## GARY

Gary needs a minimum of 500 low-rent public-housing units to empty the basements, attics, and other substandard, unhealthy places occupied by families of low income. Comparative figures conclusively show that police, fire, health, and sanitation department cost less per family in our public housing than in our slums. Independent



study shows that there are fewer criminals, fewer illegitimate children, fewer juvenile cases, fewer broken marriages, better school grades, and better workers in families rehoused in public housing than those in our slums. I urge the passage of H. R. 4009. (Eugene Swartz, mayor of Gary.)

#### PROVIDENCE

Providence program for slum clearance and redevelopment requires passage of H. R. 4009 to provide low-rent housing for displaced families of low income. Vital programs for new highways, playgrounds, industrial sites, as well as slum clearance are being delayed by a housing shortage. (Dennis J. Roberts, mayor of Providence.)

#### NORFOLK

Acute shortage exists here respecting housing accommodations at rentals within the reach of vast majority of our people. Concern of commandant of Fifth Naval district is indicative of the general situation. Recent survey by commandant discloses 2,347 Navy personnel in Norfolk area who desire to bring their families to this area but who are unable to do so because of housing shortage; 3,077 families of Navy personnel in this area now occupying trailers, rooms, and other inadequate housing.

Estimated minimum need for low-rent public housing, 3,000 units. Nineteen hundred and forty housing census revealed 9,000 substandard units occupied by Negroes, 6,000 substandard units occupied by whites. While there is no later survey available, this situation has certainly not improved. City now plagued with many blighted areas which we hope to eliminate progressively through redevelopment and public-housing projects.

Norfolk's interest in slum clearance and public housing evidenced by recent appropriation of \$25,000 to the Norfolk Redevelopment and Housing Authority for a study, planning, and programing. Low-rent public housing in Norfolk efficiently operated, but grossly inadequate in scope. Administrative heads of health, fire, and police departments, and judge of juvenile court, report a very high rate of disease, delinquency, and crime in slum areas with correspondingly high servicing costs and very favorable demonstration of effectiveness of public housing. Study made in 1937 of certain slum areas comprising 1 percent of our total area and containing 14 percent of our population showed that the cost of city services in those areas exceeded the tax returns therefrom by \$750,000. City vitally interested in passage of a comprehensive housing bill embracing public housing and urban redevelopment. (Pretlow Darden, mayor, Norfolk.)

#### ST. PAUL

The housing condition in St. Paul is still acute. I cannot see that there is any improvement, and there are indications that it is getting worse.

The high cost of construction and the lack of proper financing facilities and arrangements have made it practically impossible for a family in the low-income bracket to build or purchase a new home.

There is no rental property available to the low-income group, and families with children have a difficult time in renting any home at any price.

We have hundreds of people living in converted stores and office buildings, and many living in our cheap loop hotels under conditions that are far from desirable. These people are compelled to pay fantastic rentals as much as \$210 a month for a family of seven, including five children, for two little rooms without private toilet facilities.

Our welfare board, on a check of 23 welfare families, is paying an average of \$137.50 per month per family for rent alone, to keep them in these cheap hotels.

The quonset huts, which were to provide temporary housing for the returned veteran,

are more in demand than ever, and we have a long list of emergency applications from veterans who have no better housing facilities for themselves and families.

We are looking forward to the passage of Federal legislation which will ease the situation by making possible low-rent public housing.

The slum areas are a disgrace to the city, and in many cases are a health and social menace. We had over 4,000 units before the war that were unfit for human habitation. These units have been increased in number, bringing practically no revenue by way of taxation, and costing our city a substantial amount of money to maintain. We can see no way of correcting this situation, other than through the enactment of a slum-clearance program by our Congress.

I do hope that the Eighty-first Congress will give us some help on the matters mentioned herein, and would appreciate being advised by you as to the progress of the housing legislation now pending. (Edward K. Delaney, mayor.)

#### DALLAS

Regarding general housing bill, H. R. 4009, in December 1944 Dallas filed an interim application for 2,800 additional low-rent public housing dwelling units which represent a small portion of present need. Conservative minimum estimate of substandard dwellings now 40,000. It is further estimated that a minimum of 10,000 additional families live under overcrowded conditions, doubling up in single-family dwellings. Greatest housing need in Dallas is for rental units under \$50 for families of low income and modest income. Reduction of excessive expenditures for municipal services to slum areas and reduction of basic causes of disease, crime, fires, and juvenile delinquency can be effected by participation in proposed program offered in H. R. 4009. (Roderic B. Thomas, city manager, city of Dallas.)

#### LOUISVILLE

The housing situation in Louisville is still very acute for low-income families whose budgets will not permit the payment of rent between \$30 and \$50 per month without utilities. We have approximately 5,000 applications from veterans for 567 units of temporary veterans' housing. All of these apartments are presently filled. We have 3,004 units of public housing, all of which are filled, and our lists show a backlog of approximately 2,500 applications for public housing. Of these two lists in excess of 500 families have been evicted and are presently living with relatives or friends under dangerously overcrowded conditions, or have received eviction notices and are unable to find a place to move into within their means when the eviction becomes a reality.

Families who are doubled up because they cannot afford to pay rent for such housing as is presently available are conservatively estimated at several thousand. The larger part of these families are ineligible for public housing but are looking for a home to buy or rent as soon as private enterprise can supply it within their means. No actual survey has been made but one is contemplated. But based on the applications for veterans' temporary housing and public housing in which we have actual information as to their incomes, we estimate conservatively that Louisville needs approximately 1,500 units of public housing for whites and Negroes, and several thousand units of housing to be provided by private enterprise for rent at \$40 to \$75 per month with utilities, and for sale with a small or no down payment at prices from \$5,000 to \$7,000.

Just prior to the building of our first public housing project in Louisville in 1935 our planning and zoning commission made a survey of 12 city blocks in a slum area, which were subsequently cleared, and found that police, health, fire, and other city services

in that area cost the city \$65,000, whereas it collected approximately \$14,00 in taxes. (Charles P. Farnsley, mayor of Louisville.)

#### A PETITION TO THE HONORABLE HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA

Whereas our cities do not have enough decent dwellings to house our people; and

Whereas cities have many slum areas which are detrimental to the health and welfare of the citizens and a financial blight as well; and

Whereas neither our cities alone nor with the aid of private enterprise have yet been able to provide sufficient housing or clear our slums.

Therefore, through the American Municipal Association, we petition the House of Representatives of the United States of America to take immediate favorable action on H. R. 4009, the national housing bill.

Allentown, Pa., Hon. Donald V. Hock, mayor.

Atlanta, Ga., Hon. W. B. Hartsfield, mayor.  
Augusta, Ga., Hon. W. D. Jennings, mayor.  
Bethlehem, Pa., Hon. Robert Pfeifle, mayor.  
Biloxi, Miss., Hon. G. B. Cousins, Jr., mayor.  
Cambridge, Mass., John B. Atkinson, city manager.

Camden, N. Y., Hon. George E. Brunner, mayor.

Chattanooga, Tenn., Hon. Hugh P. Wasson, mayor.

Cincinnati, Ohio, Hon. Albert D. Cash, mayor.

Columbia, S. C., Hon. Frank C. Owens, mayor.

Corpus Christi, Tex., Hon. Leslie Wasserman, mayor.

Denver, Colo., Hon. Quigg Newton, mayor.

Detroit, Mich., Hon. Eugene I. Van Antwerp, mayor.

Durham, N. C., Hon. Dan K. Edwards, mayor.

Flint, Mich., Hon. George G. Wills, mayor.

Gary, Ind., Hon. Eugene H. Swartz, mayor.

Hartford, Conn., Hon. Cyril Coleman, mayor.

Hoboken, N. J., Hon. Fred DeSapio, mayor.

Kansas City, Mo., Hon. William E. Kemp, mayor.

Lackawanna, N. Y., Hon. John J. Janega, mayor.

Los Angeles, Calif., Hon. Fletcher Bowron, mayor.

Louisville, Ky., Hon. Charles P. Farnsley, mayor.

Madison, Wis., Leonard G. Howell, city manager.

Memphis, Tenn., Hon. Watkins Overton, mayor.

Miami, Fla., Hon. Robert L. Floyd, mayor.

Milwaukee, Wis., Hon. Frank P. Zeidler, mayor.

Minneapolis, Minn., Hon. Eric G. Hoyer, mayor.

New Haven, Conn., Hon. William C. Celenzano, mayor.

New Orleans, La., Hon. DeLesseps S. Morrison, mayor.

New York, N. Y., Hon. William O'Dwyer, mayor.

Norfolk, Va., C. A. Harrell, city manager.

Oakland, Calif., Hon. Joseph E. Smith, mayor.

Passaic, N. J., Hon. Paul G. Demuro, mayor.

Paterson, N. J., Hon. Michael U. DeVita, mayor.

Richmond, Va., Hon. W. Stirling King, mayor.

Rockford, Ill., Hon. C. H. Bloom, mayor.

Saint Joseph, Mo., Hon. Henry D. Allison, mayor.

Saint Louis, Mo., Hon. Joseph M. Darst, mayor.

St. Paul, Minn., Hon. Edward K. Delaney, mayor.

Seattle, Wash., Hon. William F. Devin, mayor.



Stockton, Calif., Hon. Angelo Sanguinetti, mayor.  
Syracuse, N. Y., Hon. Frank P. Costello, mayor.  
Toledo, Ohio, Hon. Michael V. DiSalle, mayor.

Waterbury, Conn., Hon. Raymond E. Snyder, mayor.

Wichita, Kans., Hon. William C. Salome, Jr., mayor.

York, Pa., Hon. Felix S. Bentzel, mayor.  
Respectfully submitted by the American Municipal Association on behalf of those whose names are listed above.

CARL H. CHATTERS,  
Executive Director,  
American Municipal Association.

JUNE 20, 1949.

## Federal-State Oil Leases

### EXTENSION OF REMARKS OF

**HON. F. EDWARD HÉBERT**

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 13, 1949

Mr. HÉBERT. Mr. Speaker, I herewith submit the two concluding articles by Bernard L. Krebs of the New Orleans Times-Picayune on the proposed grab of the coastal waters of the several States by the Federal Government.

#### FEDERAL-STATE OIL LEASES

(By B. L. Krebs)

(This is the fourth of a series of five articles)

A Federal Department of the Interior oil and gas lease on 2,415 acres of Kisatchie national forest land in Winn Parish awarded on February 1 of this year, is within half a mile of a well producing oil and distillate at the rate of \$12,000 a month.

The applicant for the lease paid the customary 50 cents per acre for the first 3 years, or \$1,208 rental for the tract of nearly 4 square miles.

This lease was one of three applied for July 12, 1946, 3 days before the Department of the Interior issued its departmental order No. 2225 on July 15, 1946, providing for the administration by its Bureau of Land Management of the acquired lands of the United States, transferred to it by the Presidential Reorganization Plan No. 3.

The three applicants were Ernest Villere, who obtained the lease near the producing well; Lester Pallet, who on August 11, 1948, was granted a lease on 1,649 acres of Kisatchie land; and Donald W. Doyle, who obtained 2,140 acres of forest land. All are residents of New Orleans, made their applications the same day, and all three applications were sworn to before the same notary public.

Validity of the Government's title to the minerals under the land is involved in a suit against the Nebo Oil Co., now pending in Federal court. This does not, however, affect the methods under which the Department of the Interior leases the minerals under public land.

The story behind the Villere lease goes back to 1932, when the Goodpine Oil Co. was organized, and Bodcaw Lumber Co. and the Grant Timber & Manufacturing Co. vested in it the title to the minerals under 101,000 acres of land in Winn Parish. They received stock in exchange, the Goodpine Oil Co. being in effect a holding company for the minerals.

In 1934 the Bodcaw Lumber Co. sold 74,048 acres of land in Winn Parish to the United States Government for the Kisatchie Forest for a consideration of \$148,096, "subject to the sale of all the oil, gas and sul-

fur under all of the land conveyed herein . . . wherein Bodcaw Lumber Co. of Louisiana, Inc., was the vendor and Goodpine Oil Co., Inc., was the vendee."

Seven years later Goodpine Oil Co. leased part of the Winn Parish minerals to H. L. Hunt, in checkerboard quarter-sections. The rest of the minerals apparently had been turned over to Nebo Oil Co., controlled by the same interests that held Goodpine Oil. The lease to Hunt did not disclose the terms or conditions, but referred to a certain agreement between the parties hereto copies of which were in the possession of both parties. This undisclosed agreement, never filed for public record, was to constitute a binding part of the lease as though set out herein at length.

Hunt drilled a well, Goodpine F-24, which in June, 1942, was brought in as a producer of gas and distillate, which is oil in the form of vapor in the gas. The well was closed in for lack of a market. There is speculation in Winn Parish as to whether the electrical survey of the well also disclosed oil sands which have not been placed in production. The Louisiana department of conservation has a copy of the survey, which it cannot disclose under an opinion of the attorney-general without Hunt's permission, which Hunt has never given.

Not even the conservation department has seen the electrical surveys of five other wells which Hunt drilled on three sides of the gas-distillate discovery, and which were reported as dry. Where a well is abandoned as dry the operator is not required to furnish a copy of the survey to the State authorities.

Villere filed his application in June, 1946, after the Hunt discovery well in the Calvin field had been closed in 3 years. The land he sought was southeast of the Hunt well, in the only undrilled part of the Calvin area.

The Villere application was on a printed form issued by the Department of the Interior, and those of Doyle and Pallet were on exact typewritten copies of the same form. Among other statements contained in the forms was the following declaration, required by the Department as a basic condition for its leasing oil and minerals without competitive bids:

"To the best of my knowledge and belief the lands applied for are not within the known geologic structure of any producing oil or gas field and are believed to contain oil and gas."

The applications were referred to the National Forestry Service in due course for comment, with an answer requested by the Department of the Interior to the following question, among others:

"What information does the Department of Agriculture have as to a competitive interest in these (oil and gas) deposits?"

On March 12, 1947, the Forest Service, through L. L. Bishop, acting regional forester, replied:

Villere application—"High competitive interest. Well already producing gas 1 mile northwest of this area."

On the Doyle application, which was for forest lands in sections 27, 28, 33, and 34, township 11 north, range 5 west, L. E. Hoffman, chief of the Mineral Division, reported on March 25, 1947, for Lyle F. Watts, Chief of the Forest Service:

"Well is now being drilled to depth of 9,500 feet in T. 10 N., R. 2 W., section 21. Another well has already been drilled in T. 12 N., R. 5 W., section 24 and produces gas; and another one is now being drilled in about T. 11 N., R. 5 W., section 25."

The same report was made by Hoffman on the Pallet application, the words quoted above being repeated, and preceded by the comment: "High competitive interest."

The Villere application, which included land previously leased by the Goodpine Oil Co. to Hunt, stayed in the files of the In-

terior Department through 1948. Meanwhile, in April of that year the Government filed suit against the Nebo Oil Co. on land in another area of the forest, seeking to obtain title to the minerals originally sold to the Goodpine Co. in 1932.

It was contended by the Government that under Louisiana law minerals cannot be held separate from the land for longer than 10 years, unless they had been brought into continuous production. Since there had been no drilling and no production on the tract involved in its suit, the Government asserted, the minerals had reverted back to the land in 1942, and since the Government was owner of the land surface by purchase from the Bodcaw Lumber Co. in 1934 it had become the owner of the minerals when the 10-year prescription went into effect. This claim of the Government is being contested by the Nebo Oil Co. against which the suit was directed.

Hunt's long-closed discovery well in the Calvin area assumed sudden importance at the close of 1948. Tennessee Gas & Transmission Co. had built a long-distance natural gas transmission line through the area, and made a contract with Hunt to purchase gas from the Goodpine F-24.

The well was reopened January 1, 1949, and by the end of the month had produced 80,000,000 cubic feet of gas and 2,882 barrels of distillate, worth conservatively \$12,000.

On February 1, with the Hunt well in active production, the Department of the Interior made up its mind about the Villere application, after 2½ years. The lands sought to be leased did not fall within the known geologic structure of a producing oil or gas field, it decided, therefore it was precluded by law from asking for competitive bids.

The lease thereupon was signed over to Villere.

#### FEDERAL-STATE OIL LEASES

(By B. L. Krebs)

(This is the fifth of a series)

In July, 1948, the State mineral board of Louisiana, at competitive bidding, leased 2,700 acres of land in the eastern end of Lake Salvador, south of New Orleans, to the Union Producing Co. It received a bonus of \$275,000 and an overriding royalty of one forty-eighth in addition to the regular one-eighth royalty.

Immediately to the north of this lease, again at the eastern shore line of the lake, Union Producing Co. obtained an additional 1,000 acres as a second lease from the State, for a bonus of \$40,000 and an overriding royalty of one forty-eighth.

The average return from these two leases, covering the first year only, was \$85.14 per acre.

Immediately adjoining the leases, within the shore line, is a tract of 322 acres of land which has been owned by the United States Government since the days of the Louisiana Purchase.

Six months after the State had obtained a bonus of \$85.14 per acre for the first year only, plus an overriding one forty-eighth royalty on water bottoms in the lake the Bureau of Land Management of the Department of the Interior leased the Government's acres.

It obtained from Tidewater Associated Oil Co. 50 cents per acre for 3 years, and no override.

The Government's return from this lease for a 3-year period was \$161. This is in accordance with the Federal leasing law, which provides that leases can be let at competitive bidding only if the land is within the geological structure of a producing gas or oil field.

Had this Government land been under control of the State of Louisiana, and been offered at a public letting in accordance with State law, it should have brought \$27,000 for the first year and half that amount for each



of the two succeeding years, unless drilled upon in the meanwhile.

The Lake Salvador leasing demonstrates certain vital differences between methods of the State of Louisiana and of the Department of the Interior in making oil and gas leases, which State authorities believe make them vastly more competent to administer the 6,000,000 acres of tidelands in the Gulf of Mexico, off the shore line of Louisiana.

The State leases are limited to 3 years, except in the tidelands themselves, where 5-year leases are granted because of the greater difficulties encountered in exploration and drilling.

By requiring a rental for the second and third years equal to half the bonus, the State discourages the bidding in of State water bottoms for speculative purposes.

The Union Producing Co. leases, for instance, must either see the start of drilling by July 8 of this year, anniversary date of the letting, or the company has the alternative of surrendering them or paying the second year's rental in order to hold them without drilling. This would be \$137,500 for the 2,700-acre lease at \$51.4 per acre, and \$20,000 for the 1,000-acre lease at \$40 per acre.

Again at the end of the second year, if drilling had not started, the same alternative would confront the lessees.

Union Producing Co., in fact, has already started drilling a well on its 2,700-acre Lake Salvador lease, which is cheaper than holding on to it and paying the State of Louisiana \$137,500 for a second year's rental in July. But had the water bottoms of Lake Salvador been under control of the Department of the Interior, the leasing situation as between the State and Federal Government, with the tract undrilled for 3 years, would have been:

Under State leasing, bonus \$275,000; 2 years' rental, \$275,000; total \$550,000.

Under Federal leasing, no bonus; 3 years' rental at 50 cents per acre, \$1,350.

At that time the holder under State lease, not having drilled the acreage, would have to surrender it, and the State could try some other bidder (as has frequently happened).

But the holder under Federal lease, not having drilled in the 3-year period, could pay an additional 25 cents per acre, or \$675 for the 2,700 acres, and hold them another 2 years. After that he could pay \$1 an acre, or \$2,700 and hold them the sixth year, and so on up to 10 years.

These policies of the State mineral board, in conjunction with the mandatory provision of the law requiring public advertisement and bidding on all State lands, have almost entirely eliminated the speculator and the middleman. When the State leases its lands for mineral development—and that is what the State wants—it is assured that the tract will be drilled in 3 years or the land will be returned.

The situation in the Gulf of Mexico off the coast of Louisiana is analogous to this. A brief 4 years ago the first tidelands leases were made—after competitive bidding. Little was known of the productivity of these submerged ocean acres.

Drilling platforms cost a million dollars each to build—and one was toppled over in a hurricane, and another million-dollar operation went up in fire when a well blew out.

Transportation methods to get oil ashore, once it was in production, had to be developed—one platform with three flowing wells was on restricted production for 2 months when stormy weather interfered with the barge fleet carrying oil to shore, and closed in wells sanded up.

New techniques for subsurface exploration had to be devised—in the first geophysical operations it was found that the gulf waters distorted the sound waves, giving erroneous

maps or pictures of the underground formations.

The reason for the great development that has taken place in the offshore area, in the opinion of Louisiana officials, is to be found in the application of State leasing policies that had already proven effective for the in-shore water bottoms.

With the bonuses from tidelands leases averaging \$23.51 per acre at the last letting of the State mineral board, prior to the filing of the Government suit to take the tidelands away from Louisiana, the question as to whether development of a lease by drilling would more likely result under State practices or under Federal regulations can be determined by the following:

Customary tidelands lease, 5,000 acres.

Bonus and rentals in five years under State regulations at the October, 1943, price for leases, if not drilled sooner, \$352,650.

Rentals (no bonus) for five years under department of interior leasing law, at 75 cents per acre, \$3,750.

These are the reasons why the State of Louisiana, conscious of its 757 tidelands leases covering 2,000,000 acres of Gulf water bottoms, its \$36,000,000 in bonuses and rentals collected in four years, its 17 known areas already discovered in the Gulf either producing or known to be capable of producing oil and gas, its 26 wildcat wells now seeking oil in new areas in the Gulf waters; and looking at the Department of the Interior "50 cents per acre" leases, says to the Federal Government:

"The tidelands belong to us.

"But if you are trying to take them away from us, not merely to cut-in on these oil-rich areas as a lot of people think, but only to see that they are properly developed, as you claim:

"You had still better leave the business to us."

### Freight Absorption—News Report on Address by Senator O'Mahoney

#### EXTENSION OF REMARKS

OF

#### HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, June 23 (legislative day of Thursday, June 2), 1949

Mr. JOHNSON of Colorado. Mr. President, on yesterday the Senator from Wyoming [Mr. O'MAHONEY] delivered a most timely and significant address before the luncheon session of the Chicago Association of Commerce and Industry on the general subject of freight absorption.

I ask unanimous consent to insert in the Appendix of the Record the Chicago Journal of Commerce of June 23 news report quoting from the Senator's speech under the glaring headlines "Freight cost assimilation held urgent." Also the report of the Chicago Daily Tribune.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Journal of Commerce of June 23, 1949]

#### FREIGHT COST ASSIMILATION HELD URGENT—O'MAHONEY CALLS DELAY COSTLY (By Harry Adams)

Senator JOSEPH C. O'MAHONEY declared yesterday that early action on his bill to

legalize freight absorption is necessary to prevent present uncertainty on the issue from having a dampening effect on general business.

He told a luncheon session of the Chicago Association of Commerce and Industry in the La Salle Hotel that the longer action is delayed on his measure the worse it would be for business.

"As the economy climbs down from its all-time high," he said, "any action that promotes uncertainty also tends to promote unemployment."

#### STRIKES AT UNCERTAINTY

Senator O'MAHONEY stressed the fact that one of the main purposes of his bill was to abolish uncertainties among Government officials and business leaders on the status of delivered prices and freight absorption.

His bill contains a simple declaration that it shall be lawful for a seller, acting independently, to quote or sell at delivered prices or to absorb freight. Action taken in a collusive agreement by a group of sellers would be unlawful.

Senator O'MAHONEY said delivered prices and freight absorption of themselves are not fundamentally wrong. He added that he could see where these practices could be used in a conspiracy in restraint of trade.

#### WARNS OF F. O. B. PRESSURE

If his bill is not enacted, the Senator warned, an argument now being used that an f. o. b. method is the only legal pricing system would continue to circulate. This means uncertainty on the issue that could be detrimental to business, he said.

Senator O'MAHONEY's bill has been passed by the Senate. It was approved Tuesday by the House Judiciary Committee.

[From the Chicago Daily Tribune of June 22, 1949]

#### O'MAHONEY HITS MUDDLE OVER PRICING—URGES ACTION BY CONGRESS

Congress should clear away the existing confusion and uncertainty regarding the basing point and f. o. b. price systems so that business and industry can get its bearings, Senator O'MAHONEY (Democrat, Wyoming) warned yesterday at a luncheon meeting of the Chicago Association of Commerce in the LaSalle Hotel.

He said recent decisions of the United States Supreme Court leave doubts in the minds of many businessmen regarding their legal rights in pricing their goods. Under the basing-point system, producers quote delivered prices and absorb freight on some distant shipments to meet competitive prices. Under f. o. b., prices are quoted at the factory and the buyer pays the shipping costs.

#### COURTS CREATE DOUBT

Until a year ago the basing-point system was in wide use throughout the country. Then several court decisions created doubt regarding the validity of such prices. Shortly afterward the steel industry generally abandoned basing points. Some industries followed, but others did not, legal opinion being sharply divided on the exact meaning of the court decisions.

O'MAHONEY, recalling the Supreme Court's 4-to-4 decision in the Rigid Steel Conduit case, said that when "the Court is divided 4 to 4 on a question you can understand why businessmen and their legal counsel might have some varying opinions in this matter."

"What we need more than anything right now is to promote the investment of private capital in business and industry," O'MAHONEY said. "With the Court divided 4 to 4 on a question that affects business and industry throughout the country, there is created a dampening effect on investment because of the uncertainty and confusion."

He believes widespread adoption of the f. o. b. prices would "utterly upset business







evidence of a job well done by the Subcommittee on Appropriations for Agriculture.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### FEDERAL EMPLOYEES' COMPENSATION ACT AMENDMENTS OF 1949

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 265, Rept. No. 901), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742) entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EXTENSION OF REMARKS

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a speech made by Cadet Major Thomas Francis Field.

Mr. DOLLINGER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RODINO (at the request of Mr. ADDONIZIO) was given permission to extend his remarks in the RECORD in three instances, and include newspaper articles in each instance.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD in three instances: in the first, to include an article by William Schoenberg; in the second, a letter from the head of the Philadelphia Housing; and in the third, a radio broadcast by Charles Collingwood.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a statement made by him before the House Committee on Education and Labor on Federal aid to public education.

Mr. HARRISON asked and was given permission to extend his remarks in the RECORD and include certain articles.

Mr. GARY asked and was given permission to extend his remarks in the RECORD and include an address delivered by Gen. Alexander Vandegrift, former Commandant of the United States Marine Corps on the occasion of the observance of Flag Day ceremonies held at Richmond, Va., on June 12, 1949.

Mr. WALSH asked and was given permission to extend his remarks in the RECORD.

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include a radio speech.

Mr. HUGH D. SCOTT, JR. (at the request of Mr. SIMPSON of Pennsylvania) was given permission to extend his remarks in the RECORD and include a speech delivered by Mrs. BOLTON of Ohio.

Mr. BURDICK asked and was given permission to extend his remarks in the RECORD and include a consensus of opinion of consumers on the Brannan farm plan.

#### CORRECTION OF ROLL CALL

Mr. ANGELL. Mr. Speaker, the RECORD of June 22 at page 8294, on roll call 111, purports to show that I did not answer to my name. I was present and answered "yea."

I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

#### EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to revise and extend the remarks he intends to make in Committee of the Whole this afternoon and include certain correspondence.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include a release from the Labor Department of the State of Connecticut.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[Mr. SADLAK addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### EXTENSION OF REMARKS

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BOGGS of Delaware (at the request of Mr. NICHOLSON) was given per-

mission to extend his remarks in the RECORD and include extraneous matter.

#### PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include a letter from the Veterans' Administration regarding veterans' insurance.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

#### VETERANS' LIFE INSURANCE

Mrs. ROGERS of Massachusetts. Mr. Speaker, Members have asked me if the VA had the money set apart with which to meet insurance dividends or refunds to the veterans. I believe many of the Members of the House will be interested in a letter I have received from the Veterans' Administration. The letter states:

All moneys received on account of national service life insurance are placed in a special trust fund in the Treasury known as the national service life insurance fund. Except for a comparatively small working balance in cash and assets represented by policy loans, the fund is invested in United States Treasury notes. When amounts are to be disbursed which exceed current income, as will be the case in connection with the special dividend payment, the United States Treasury notes are redeemed for cash.

The letter is as follows:

#### VETERANS' ADMINISTRATION,

Washington, D. C., June 23, 1949.

Hon. EDITH NOURSE ROGERS,  
House of Representatives,  
Washington, D. C.

DEAR MRS. ROGERS: In regard to your telephone inquiry as to the manner in which funds will be made available for payment of the special dividend on national service life insurance I am pleased to supply you with the following facts.

All moneys received on account of national service life insurance are placed in a special trust fund in the Treasury known as the national service life insurance fund.

Except for a comparatively small working balance in cash and assets represented by policy loans, the fund is invested in United States treasury notes.

When amounts are to be disbursed which exceed current income, as will be the case in connection with the special dividend payment, the United States Treasury notes are redeemed for cash.

Sincerely yours,

HAROLD W. BREINING,

Assistant Administrator for Insurance.

#### EXTENSION OF REMARKS

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD in three instances and to include in each case an editorial.

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Gould Lincoln.

Mr. JONAS asked and was given permission to extend his remarks in the RECORD and include a resolution from the Assembly of the State of Illinois.

Mr. EATON asked and was given permission to extend his remarks in the



RECORD and include an address by Governor Dewey of New York.

Mr. COTTON asked and was given permission to extend his remarks in the RECORD and include an address delivered by the gentleman from Washington, WALT HORAN.

Mr. ELSTON was given permission to extend his remarks in the RECORD and include an article by Lt. Gen. Leslie R. Groves, which appeared in the Washington Herald of June 19.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include a copy of a letter.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an article from the Cleveland Plain Dealer.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

#### CORRECTION OF ROLL CALL

Mr. WERDEL. Mr. Speaker, I ask unanimous consent to correct roll call No. 112 to show that I was present. I was present and answered to my name, and I wish the permanent RECORD corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### REPAYMENT OF OVERCHARGES ON INSURANCE

Mr. PHILLIPS of Tennessee. Mr. Speaker, as a member of the Veterans' Committee, I wish to state that in 1947 an investigation was made to determine if overcharges could be paid or returned to the veterans of this country. We are now told there are approximately \$2,800,000,000 in overcharges that were collected from the veterans of this country which has not been returned to those veterans. I cannot think of any better thing that could be done by this Congress than to immediately release this great amount of money and to place it into the economy of America. While we are facing unemployment and while the veterans are having difficulty meeting their bills, they should have it now and not a year later.

The SPEAKER. The time of the gentleman from Tennessee has expired.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

[Mr. HALE addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### AGRICULTURE'S NEW ELECTRONIC BRAIN

Mr. BYRNES of Wisconsin. Mr. Speaker, the Associated Press reported last night that there has been delivered to the Agriculture Department "a new electronic brain, bigger than an upright piano and looking like a panel of gymnasium lockers" which has already "started thinking big thoughts for the taxpayers."

"We have now learned the worst.

Without question, this thinking machine has already begun work on the Brannan electronic farm plan. This new plan will do more than pay the farmer high prices for produce which will be sold to consumers at low prices with no visible increase in the taxpayer's burden. It will undoubtedly devise a method for growing wheat without planting any seeds, for producing milk without feeding any cows and for gathering wool without shearing any sheep.

When this plan is put into operation, the farmers can all retire to the cities, the consumers can move to cottages in the country, the Bureau of Internal Revenue will wither away and die, and the present Secretary of Agriculture can take a well-earned rest, secure in the knowledge that his replacement—the new electronic brain—is efficient, tireless, and scientifically incapable of the slightest error, political or otherwise.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### ALABAMA SUPPORTS LAW AND ORDER

Mr. BATTLE. Mr. Speaker, the gentleman from New York, chairman of the House Judiciary Committee, has appointed a subcommittee to investigate recent infractions of the law in Alabama. Since the gentleman from New York [Mr. Celler] did not consult me about this investigation which will take place in my district, I feel it my duty to warn him that any political exploitation of this serious and regrettable situation will deter rather than facilitate justice.

It is my strong feeling that we in Alabama are entitled to an opportunity to take action on a local level and with the proper law enforcement authorities. Ill-considered action on the part of the United States Congress strengthens the hand of lawless groups because they thrive on outside intervention.

The best way that the Congress can help out is to stay out. If we were help-

less to meet the situation or disinterested, it would be different. But our law enforcement officers, backed by a solid force of our citizens, are on the move. A citizens' Committee of Five Hundred has been formed to mobilize our entire community in support of law and order. Veterans' organizations, civic, religious, educational, and industrial groups have united behind the law for the purpose of cleaning house. The newspapers are leading the crusade for justice. These public-spirited groups and law enforcement agents have my full and complete support.

The sense of justice of our people has been greatly aroused. The State senate has just passed a measure by an overwhelming vote to outlaw the wearing of hoods and masks. It is felt certain that the State house of representatives will make this into law when it meets again next Tuesday. A special grand jury has made a careful investigation of the attack on the miners and mine operators which recently occurred 15 miles south of Birmingham. As the presiding judge brought out, this is the first armed violence in this area in more than 40 years. The grand jury has already returned 14 indictments and made 7 arrests in this instance.

I am in constant touch with the FBI and the Justice Department. I have just had a long talk with Attorney General Tom Clark who assured me of his active assistance if any violations of Federal laws are involved. Regardless of what action Congress may take, we in my district are determined to take whatever steps are necessary to clean our house and prevent such lawlessness in the future.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### LOW-COST HOUSING RENTALS

Mr. BUCHANAN. Mr. Speaker, in the course of debate on the rule bringing H. R. 4009 to the floor, the distinguished minority leader the gentleman from Massachusetts [Mr. MARTIN] said—and this appears in the CONGRESSIONAL RECORD for Wednesday, June 22, page 8295—that families selected for the public housing contemplated under H. R. 4009—"must expect to pay \$50 or \$60 per month in addition to the Government contribution. No one unable to pay \$50 could qualify. The Government subsidy would bring it down to this rental. People able to pay \$50 a month should find little difficulty in getting a home built by private enterprise. It is the group who cannot afford to pay half that rent we should worry about. There is no relief in this bill for them."

Evidently, the distinguished minority leader was either mistaken or had not studied carefully the provisions of the bill nor the report from the House Banking and Currency Committee.



Instead of the \$50 or \$60 rent stated by the gentleman from Massachusetts to be the minimum, H. R. 4009 will provide housing at an average rent of something under \$30 a month including all utilities. This figure appears on page 19 of the report from the House Committee on Banking and Currency.

Thus, the provisions of H. R. 4009 would aid directly those families which the gentleman from Massachusetts is worried about. I wonder, in view of the fact that this bill does directly provide for those families that the gentleman is concerned about, if he will not support it. Furthermore, the amount of subsidy which is available will permit substantial numbers of families to be housed at rents from \$10 to \$15 per month including all utilities when their incomes are so low as to warrant such very low rents.

I believe that the distinguished minority leader may wish to correct the impression which he has given the House that no one unable to pay \$50 could qualify. I know that the distinguished minority leader wishes to be fair.

#### EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the Appendix of the RECORD in 13 different instances.

Mr. RABAUT asked and was given permission to extend his remarks in the Appendix of the RECORD in four separate instances and in each to include extraneous matter.

Mr. PRESTON asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and to include a newspaper article in each.

#### AMENDING THE FEDERAL FARM LOAN ACT

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 266) providing for the consideration of the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes (Rept. No. 902), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3699) to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropri-

ated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. CHRISTOPHER addressed the House. His remarks will appear hereafter in the Appendix.]

#### POST OFFICE DEPARTMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 239)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed:

#### To the Congress of the United States:

No Federal activity touches more closely the daily lives of the people of this Nation than the postal service. It is not without reason that for many of our citizens the post office has come to symbolize the Federal Government. The manner in which the Government manages this service, one of the world's largest businesses, is necessarily a matter of direct and vital concern to every person in the United States.

We may justly take pride in the achievements of the Post Office Department. No other country furnishes a better or more varied postal service, and many other countries have used our postal service as a model. The magnitude of its operations may be seen from the fact that the Department in 1 year transports and delivers more than 40,000,000,000 pieces of mail and handles more than 800,000,000 transactions in

such special services as money orders, collect-on-delivery mail, and postal savings. The Department has done its vast job well and the effectiveness of its operations is a tribute to the loyalty and know-how of its more than 500,000 officers and employees.

The achievements of the Department are all the more remarkable when it is considered that they have been accomplished despite a number of serious handicaps. Many of these handicaps are enumerated in the report of the Commission on Organization of the Executive Branch of the Government. Among the more important obstacles to the efficient administration of the Department noted by the Commission are (1) the maze of out-moded laws which stifle proper administration, (2) the lack of freedom and flexibility essential to the conduct of a business operation, and (3) methods of budgeting and accounting which are entirely unsuited to a business of the size and character of the postal service.

The budget and accounting procedures prescribed by law are particularly cumbersome. Currently, the postal service is operated under 58 separate appropriation items, each of which must be independently justified by the Department officials, reviewed and approved by the Congress, and apportioned for each quarter by the Bureau of the Budget. These individual appropriation items range in amount from \$3,000 to over \$600,000,000. Every dollar spent must be charged against a specific appropriation, and transfers from one account to another are permitted only within certain narrow limits. The procedures prevent the Department from operating any office as a fiscal unit with the result that the postal management, the President, and the Congress are unable to obtain a complete and accurate picture of postal operations.

The Post Office Department obviously can control its annual expenditures only within broad limits. As in the case of any other business, its expenses, and also its income, will vary in proportion to the demand for its services. However, unlike a private business, the Department cannot refuse to serve its customers. Consequently, attempts to place rigid and detailed limitations on specific activities constitutes a positive hindrance to sound management and efficient service to the public.

The Commission on Organization of the Executive Branch of the Government indicated that there are four principal objectives toward which improvements in the operations of the postal service should be directed. These are:

(1) Accounting, budgeting, and auditing procedures designed to improve management's control of the business.

(2) Flexibility of expenditures to meet fluctuating demands for postal service and varying conditions of operation on a Nation-wide scale.

(3) Reasonable freedom from restrictive laws and regulations governing contracts, purchases, and personnel practices.

(4) Administrative authority commensurate with responsibility.



I am in wholehearted agreement with the objectives set forth by the Commission.

Several steps are essential if we are to accomplish the above goals. I recommend as one of the first steps that legislation be enacted by the Congress to place the Post Office Department under the Government Corporation Control Act of 1945 so that it will have the benefit of the business-type budget, audit, and accounting procedures prescribed by that act. These procedures were specifically devised by the Congress to provide more satisfactory control over Federal activities of a predominantly business nature. This action will strengthen greatly the accountability of the Department to the President and the Congress. This type of budget and audit arrangements will make available to the President and the Congress for the first time the kind of information which is required to appraise accurately the effectiveness of the postal service and to establish adequate controls over its operations.

It will not be sufficient, however, merely to extend the provisions of the Government Corporation Control Act to the Department. As a corollary, the legislation should give to the Department the same degree of financial and operating flexibility as is now possessed by most Federal business enterprises. Such legislation is essential if the postal service is to be conducted on a businesslike basis. It is an axiom of sound administration that authority should be commensurate with responsibility. No authority of management is more important than that of selecting the personnel who are to operate the business. If the Postmaster General is to be held responsible for the efficient conduct of the postal service, he should be given full authority to appoint postmasters and other postal employees subject only to the provisions of the Civil Service and Classification Acts. Legislation should be enacted which will give such authority to the Postmaster General.

In order to strengthen further the management of the Post Office Department, I have transmitted a reorganization plan to the Congress. This plan gives to the Postmaster General essential authority to organize and control his Department by transferring to him the functions of all subordinate officers and agencies of the Department. It also provides for the establishment of the position of Deputy Postmaster General, and an Advisory Board for the Post Office Department. These measures are essential to furnish the Postmaster General with much-needed assistance and to make available to him the advice of outstanding private citizens.

Legislation is now before the Congress which would authorize the Postmaster General to establish a research and development program. The investigations and studies under this program would be for the purpose of improving and introducing new equipment, methods, and procedures in the postal service in order that the business of the Post Office Department may be more efficiently and economically handled. Such a research and development program will contribute significantly to the improved opera-

tion of the postal service. I urge that the Congress act favorably upon this legislation.

The postal deficit for the fiscal year 1950, on the basis of current postal rates, would be more than \$400,000,000. This deficit results primarily from the volume of postal business which is carried below cost. If the postal service is to be conducted on a businesslike basis, it is essential that the postal rates be brought in line with the increased costs of postal operations. I again strongly urge, as I have in previous messages during the past 2 years, that the Congress enact an adequate revision of the postal-rate structure.

I believe that Reorganization Plan No. 3 of 1949, submitted earlier this week, together with legislation along the lines herein recommended, will enable the Government better to make substantial improvements in the existing organization and operations of the Post Office Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 24, 1949.

#### CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 113]

Andresen,	Jackson, Calif.	Plumley
August H.	Jennings	Potter
Bland	Kearney	Powell
Boykin	Kearns	Rivers
Buckley, N. Y.	Kee	Roosevelt
Bulwinkle	Keefe	Sabath
Cavalcante	Kennedy	Scott, Hugh
Celler	Kruse	D. J. R.
Clevenger	Lane	Secret
Cunningham	Lichtenwalter	Staggers
Dingell	Lodge	Taber
Fulton	McMillen, Ill.	Taylor
Gavin	Macy	Thomas, N. J.
Gilmer	Miles	Thompson
Hall	Morrison	Towe
Edwin Arthur	Morton	Whitaker
Halleck	Moulder	White, Idaho
Hart	Murdoch	Withrow
Hébert	Murphy	
Hoffman, Mich.	Pfeifer	
Horan	Joseph L.	
Huber	Philbin	

The SPEAKER. On this roll call, 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to revise and extend the remarks she will make in the Committee of the Whole today and include certain letters and material relating to the housing bill presently being considered.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain quotations.

#### CORRECTION OF ROLL CALL

Mr. BOGGS of Louisiana. Mr. Speaker, roll call No. 111 indicates I was absent, whereas the official RECORD shows

I was present. I ask unanimous consent that the correction be made accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### RURAL TELEPHONES

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 267, Rept. No. 903), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### PROGRAM NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, may I ask the majority leader if he can tell us the program for next week?

Mr. McCORMACK. I will be glad to do so, but before taking up the program for next week may I advise the Members that at 4 o'clock this afternoon the third deficiency appropriation bill will be taken up for consideration.

Mr. MARTIN of Massachusetts. Which means that the bill we are presently considering will go over until next week?

Mr. McCORMACK. Yes. For Monday, Tuesday, Wednesday, and Thursday the program is bracketed.

On Monday, District day, there is one bill, H. R. 4705, to be considered. I understand this will take only a short time.

After consideration of that bill is concluded the housing bill will be taken up and consideration continued until that bill is disposed of.

I may say that it is very important for Members to be here on Monday because the housing bill will be considered under the 5-minute rule. General debate will probably conclude this afternoon and the bill will then be read under the 5-minute rule. We want to dispose of this bill as quickly as possible without undue rush.

After conclusion of consideration of the housing bill, the next order of business will be the bill H. R. 2960, the rural telephone bill, then H. R. 3191, which has to do with compensation to injured



United States employees. The next is H. R. 3699, the Puerto Rican farm loan bill, and then H. R. 2619, which extends annual and sick leave benefits.

Of course, conference reports will always be given the right of way.

Mr. MARTIN of Massachusetts. The gentleman understands, of course, that the following week will be Fourth of July week, and if I may ask the gentleman, without embarrassing him at all, I would like to know what will be the situation with reference to adjourning over?

Mr. McCORMACK. I am glad my friend asked the question. It is not embarrassing, and I will make a commitment to the House. It is my intention to have no business on Friday of next week. We have to meet Friday just to adjourn over until the following Tuesday, Fourth of July being the following Monday. On Monday ordinarily the Consent Calendar would be called, and the Private Calendar on Tuesday. I am going to ask unanimous consent that both the Private and the Consent Calendars be called on Wednesday following the Fourth. On Tuesday there will be legislation, but not of a controversial nature, and I will make an agreement, so far as the leadership on both sides is concerned, that if there is a request for a roll call that day, we will put it over until Wednesday, if that is agreeable.

Mr. MARTIN of Massachusetts. That is agreeable.

Mr. McCORMACK. That is the plan I have in mind as to the legislative program for next week.

Mr. MARTIN of Massachusetts. I thank the gentleman.

#### CONSENT AND PRIVATE CALENDARS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Consent and the Private Calendars may be called on Wednesday of the week following the Fourth of July.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4009, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Kentucky [Mr. SPENCE] had 32

minutes remaining, and the gentleman from Michigan [Mr. WOLCOTT] had 34 minutes remaining.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. KARSTEN].

(Mr. KARSTEN asked and was given permission to revise and extend his remarks.)

Mr. KARSTEN. Mr. Chairman, when all our argument has ended, when the debate is done, and the vote is ready to be taken on this housing bill, there is and can be only one issue, one question that we must face and decide. Are we going to begin to reduce and clear our slums and provide decent housing for low-income families?

If we pass this legislation, we will have a program that can reduce slums and provide low-income housing. If we do not pass this bill, the slums must stand and grow, and millions of men, women, and children of low income in this country will be doomed to wasteful, unnecessary, and disgraceful conditions of life.

We all know that is true. To vote against this bill is to vote for nothing. Nothing will be done if we fail to do our part now. There is no alternative.

But, fortunately, this bill offers a very effective, a well considered, and a practical, sound, and economical method of going about this job.

Public housing and slum clearance are properly set out as separate and distinct operations. Yet they are also properly combined in the same legislation as companion and complementary programs.

We should know by now that clearing slums means more than eliminating a group of structures. It means, first of all, providing for a group of people.

Those who blithely say if the cities would only enforce their health and building laws, the slums would come down, ignore facts, ignore experience, and ignore common reasoning. Such thinking is shoddy mental housekeeping that just will not work. You cannot un-house people if you do not rehouse them.

City after city throughout the country has been balked in its efforts to prevent the spread of slums by the cold fact that there is no place else for the people to live. When recently public attention was dramatically called to the slums that are almost within the shadow of the Capitol, one plain, hard fact emerged from that situation. That was—you cannot do anything about those slums until you are ready to do something about the people in them. And there just is not any other housing for most of them today.

This same lesson is stated in the 1948 report of the Philadelphia Redevelopment Authority, which says:

During the current critical housing shortage it would be virtually impossible to provide shelter for displaced persons whose homes would be torn down to make way for improvements . . . it has been almost impossible for the redevelopment authority, or any other agency, to begin the demolition or elimination of residential units, regardless of their substandard condition. Any roof—even a bad roof—must remain a shelter in this time.

The mayor of the city of Baltimore, which has made an aggressive effort to try to remedy slums through ordinances, has testified in unmistakable terms that such measures as the Baltimore plan can accomplish little without public housing and Federal aid in urban redevelopment.

But we need public housing also for the sake of the people who need decent homes. One-fifth of our families have incomes of less than \$2,000. And you can't buy decent housing and live at that price today.

We know already what good housing can mean to such people who are otherwise condemned to the slums. We have had a limited experience in this field under the earlier public-housing program, through which 172,000 dwelling units have been provided.

All of the efforts to misrepresent and malign what has been done by communities throughout the country under this program cannot erase the fact that families who live in public housing have found new lives, their children have been given a new outlook on life, their health and their citizenship has immeasurably improved. Record after record of these projects show the remarkable results in lowered delinquency and crime rates, in greatly improved health records, in more secure family and community life that has resulted in better incomes and greater hopes.

We have established in our communities since that program began some 450 local housing authorities with experience and knowledge of how to administer such a program. These authorities have not only carried out responsibilities in low-rent housing, but they served the Nation well in the tremendous task of providing war housing. Their record will stand.

They have provided sound and economical housing for families, particularly for larger families. They did this at an average prewar development cost of \$4,649, well under the maximum permitted by law. The projects are simple, well planned, yet designed for healthful and wholesome family living. Their occupants include a great many families, as high as 25 percent in some localities, who are dependent on public relief for their small income, but they include primarily otherwise self-sufficient low-income families who also cannot afford decent private housing and whose needs are as great.

No more false and unjust attack has been leveled at public housing than the cry of those who oppose any housing relief for low-income families on the grounds that public housing has not been serving low-income needs. This is simply not so. The average income of families admitted to low-rent housing last year is just under \$1,500 a year, and the average income for all public-housing occupants is less than \$1,900. This includes those over-income families whose incomes have risen during the war and who are being progressively moved out as housing within their means becomes available. Yet opponents have attacked public housing for not putting



these families who have bettered their economic position, out in the streets, though such critics knew full well that there was no place for them to go. Congress itself prevented such evictions until last summer.

We need public housing, also, if we are to achieve a well-rounded and continuing level of housing production and make the important contribution to our general economic level that must come from this source. We see home-building today dropping off before it has even achieved the rate of performance we need today because people of moderate and lower incomes can't afford the housing that is being built. We see producers of building materials cutting back production, and laying off workers, because of their rising inventories and the slowdown of the flow of materials into home-building.

We see our home-building economy going into reverse at a time when our housing problem is still critical, particularly among people of average and below-average means. This is the stern lesson of what will happen and is even beginning to happen now if we continue to limit our housing market to those of higher income, and fail to broaden it by combined private and Government action to serve our whole people, as this bill would help us to do. Public housing, which will serve the market that private enterprise has no prospect of reaching, is a vital part of our economic strength in housing production. It means employment in the construction, architectural, and materials field that we have no other means of getting. If we want to be coldly businesslike about this matter, public housing is sound and necessary business.

The facts add up to just one thing: This bill provides an effective answer, and without this bill we do not have an answer. You cannot argue away that fact by placing false names and labels on public housing and slum clearance. It may be someone's idea of socialism, but it would be a shocking admission to say that democracy is incapable of providing this type of vital assistance to its people. You can hardly convince millions of people that democracy is the best way of life when the landlord stands on the rickety stoop of a slum with his rent money in his hand and points to the inviting and decent public housing project across the way, and says to the slum dweller: "You see that? That's socialism."

This bill, which brings national resources through the Federal Government to the assistance of responsible local communities and which gives private enterprise the prime role to serve the housing need to the fullest extent possible, is as democratic as our Bill of Rights. Democracy is not a muscle-bound giant. Democracy is doing. Democracy is good housing. Through this bill we can express our confidence and faith in what a democratic nation can do for its people.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. SULLIVAN].

(Mr. SULLIVAN asked and was given permission to revise and extend his remarks.)

Mr. SULLIVAN. Mr. Chairman, there is one point of view which looks upon housing as merely a domain for the investment of capital; another point of view which looks upon it also as an investment in good citizenship. Between these points of view there are inevitable clashes. I subscribe to the theory of good housing as an investment in good citizenship. For this reason, in my opinion, the proposed Housing Act of 1949, H. R. 4009, is one of the most important and epic measures which will come before us in this Congress.

This bill is important because it deals with the very root of American democracy, the home. I know of no single factor in our society that has more to do with shaping the American way of life than the homes our people live in. The home is where the workingman finds the reward for his toil. The home is the environment in which the housewife carries out her honored tasks. The home is where children—the boys and girls who are the keepers of the future—learn the hopes and ideals which we hold most precious.

Each of us can look back into memory and recall what home has always meant. Today we must look around and make a clear-eyed appraisal of the homes America lives in. We need only open our eyes to see on every hand that thousands of American families are existing today in homes that fall below the standards we all agree are essential to maintain the vitality of the democratic way of life.

Let me tell you something about housing in St. Louis, the city I know best. In years past, I have been privileged to learn a lot about my city. I have had a part in its municipal government. I think I know the city's beauties and its virtues. I also know its deficiencies and shortcomings.

It is no reproach to my city to say that St. Louis is suffering from a cancerous disease. It is rotting with blight and decay. Thousands of its families bear the mark of life in the slums. These are harsh words. But they are not a reproach to St. Louis because the same thing is true in every American city.

About a year and a half ago, a joint committee of Congress investigating the housing situation held a hearing in St. Louis. The mayor of the city went before that committee and told them that St. Louis was failing to meet its housing need. For 15 years before the war, he said, marriage licenses had outrun building permits. The war only made things worse. Three years after the end of hostilities, nearly 13,000 families of war veterans were still desperately looking for a place to live.

But that was only part of the story. The city plan commission had even more startling things to report. Its studies revealed that more than half of the city's residential area was obsolete or blighted. Fifty percent of the city's housing was in a state of decay. Eighty-two thousand dwellings—more than a third of all those in the city—were built half a

century ago. The only sanitary facilities available for 33,000 dwellings were noisome, disease-breeding outside privies. The families in 25,000 dwellings had to share their toilet facilities with other families.

This sounds like something out of the black ages. But it is the description of a great, modern city in America, the richest and most powerful Nation in the world. It is also a description of how much a city has at stake in the kind of legislation now under consideration by the House.

St. Louis has a primary interest in two of the four titles of the bill, that dealing with slum clearance and urban redevelopment and that concerned with extending the present Federal program of assistance to localities for development of low-rent public housing projects for low-income families.

This is not to say that we feel the other sections of the bill are of no concern to us. Surely the provisions relating to housing research, directed as they are at finding ways to produce better housing at a lower cost to the consumer, are of vast importance. They can be a tremendous help to the private construction industry, which must carry the lion's share of the burden in housing America. The farm-housing provisions, too, are worth while. We know that the well-being of our cities rests fundamentally on the well-being of our neighbors on the farms.

I stress the slum clearance and public housing features of the bill only because they are a little closer to our everyday lives and because I know that they will produce early benefits to St. Louis.

We in St. Louis know what public housing is. We have seen it work, and we know it is good. We have two low-rent projects in operation now, Carr Square Village and Clinton-Peabody Terrace. Together, they provide bright and livable homes for more than 1,300 low-income families who otherwise would be obliged to live in the squalor of the slums.

These projects were built and are operated with the Federal aid provided by the United States Housing Act of 1937. But they are not Federal projects, they are not Government housing. They are owned and managed by the St. Louis Housing Authority, a local public body. Its commissioners are respected leading citizens of the city. We are proud of the housing authority and the work it has done.

Its only fault is that its activities are so limited. We need more projects like Carr Square Village and Clinton-Peabody Terrace. Another project of more than 600 units was planned before the war but never built. It cannot be built now because the existing law limits costs to levels that were reasonable 12 years ago but ridiculous today. The land for this project is ready and waiting. When the Congress enacts the Housing Act of 1949, we can convert our blueprints into homes.

Nor is this all the public housing feature of the bill will mean to us. Some years ago, St. Louis studied its need for



low-rent public housing and came to the conclusion that it needed at least 12,000 more units to meet its pressing needs.

We are still waiting for the tools to do this job. The families who need the homes are waiting, too. They are waiting in the slums for us to act.

I have heard it said that we ought to go slow on this matter. I have heard it argued that we cannot afford to spend the money we must to clear out the slums and restore the dying portions of our cities to life. We must hesitate, it is said, in the name of economy.

What kind of economy is it to let the tax base of our cities melt away as blight spreads? What saving is there in the constantly mounting costs of police protection, fire protection, and health and welfare services which now must be provided to the victims of the slums?

Unless we do something about removing slums, we will go on spending, spending, spending to foot the bill for the slums. And when the last penny is spent, we will still have slums.

We have waited too long already. I am told it has been 10 years since a public housing bill has come to a vote in the House. There has never been a vote on an urban redevelopment measure. In the meantime, the costs of the slums go on. They provide no tax revenue for a city. They provide nothing but expense. As long as we do nothing about getting rid of slums, we have no choice but to continue pouring this money down rat holes. And when you speak of rat holes in connection with slums, you mean real rat holes, not figurative ones.

I rejoice that this body will soon have the opportunity to take a constructive step toward putting an end to the disgrace of the slums. I know that thousands of families, all over the Nation, are praying that they may have help in obtaining a decent home for themselves and their children. They ask so little, only their share of the American dream. Our decision on the housing bill can help make that dream come true.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. CARROLL].

(Mr. CARROLL asked and was given permission to revise and extend his remarks.)

[Mr. CARROLL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I yield such time as she may desire to the gentlewoman from California [Mrs. DOUGLAS].

(Mrs. DOUGLAS asked and was given permission to revise and extend her remarks.)

Mrs. DOUGLAS. Mr. Chairman, I am not going to make a long speech on the need for the housing legislation before us. I think everyone knows how I feel about slum clearance and a comprehensive housing program. The need for this legislation has been irrefutably presented by the members of the Banking and Currency Committee. I think it is well known that I have urged the passage of this legislation ever since I came to

Congress and that I have worked and fought for its passage.

Mr. Chairman, indeed this is a great day. It is the first time since I have been a Member of this body that I can sit relaxedly and thoroughly enjoy the discussions, knowing for certain that the bill before us will pass with a comfortable margin.

I shall not burden the committee with statistics and figures that have been presented over and over and over again. For the past 6 years, investigations, surveys, and reports have been made by the Congress of the United States.

The provisions in the bill before us have been passed in three successive Congresses by the other body. The bill was first introduced in the Seventy-ninth Congress and was known as the Wagner-Ellender-Taft bill.

In the Eightieth Congress it was known as the Taft-Ellender-Wagner bill. I do not know what it will be known as in the Eighty-first Congress. There are 26 sponsors in the Senate—in the House we call it the Spence bill.

The slum-clearance provisions in this bill that have been so hotly discussed were passed in the 1937 Public Housing Act—legislation conceived, drafted, and passed by the Democrats.

We hear a great deal about the Senator from Ohio [Mr. TAFT] these days. I think it is a fine thing that he has supported this legislation in three Congresses, but let us not forget that a decent home for every family in America has been for a long time a Democratic goal. The father of slum clearance was Franklin D. Roosevelt.

Let us not be ashamed of the fact that the home is the foundation of democracy. Let us be proud of the fact that our party, in seeking the goal of a decent home for every family in America, has stood with the churches, with the civic organizations, with all those who know their own community—know how people live, not just in their section of the city, not just on their farm, but their whole community.

Let us be proud of the fact that we have been able to see the needs of the whole community.

Let us be proud of the fact that we have eyes to see and ears to hear and senses to feel.

On the last day of the Eightieth Congress, at 4:30 in the morning, I sat on this floor and watched with anguish the blind forces of reaction—a polite word for sightless greed, Mr. Chairman—kill the slum-clearance and public-housing and farm-housing provisions of the bill before us.

As I sat there, I again heard the words of Dr. George Uhl, chief health officer for the city of Los Angeles, bluntly state "animals in the zoo have better housing than some of Los Angeles' human residents."

I heard again the Los Angeles Superior Court judges give, as their considered opinion based on the hearings of thousands of cases, that Los Angeles' fantastic divorce rate—five divorce actions to every six marriages in 1946—was in large measure attributable to the dire lack of housing in which families could

be reared in some degree of decency and permanency.

While listening to the tirades on socialism and communism, I again saw a one-room corrugated iron building, housing over 60 persons. I again saw an ancient, rat-infested, 14-room building in which 71 persons lived. I again saw people actually living in packing cases; in abandoned warehouses, with no water, no toilet facilities. I again saw people living in semidemolished buildings; in junked truck bodies; and I again saw as many as 19 people eating and sleeping in shifts in a single hotel room.

As the threadbare arguments were spun out that last night of the Eightieth Congress "that there are no slums in my city," "that if we just let private enterprise alone it will do the job," "that to pass a slum-clearance program is turning our backs on democracy, robbing Americans of their initiative and undermining family life—as I heard these spurious arguments I saw again the juvenile courts; the reform schools for children; the hospital wards, overcrowded with patients from bad-housing areas.

That last night of the Eightieth Congress I thought of the words of the One Hundred and Fifteenth Psalm:

They have mouths but they speak not; eyes have they, but they see not;

They have ears, but they hear not; noses have they, but they smell not;

They have hands, but they handle not; feet have they, but they walk not.

The voters must have felt somewhat the same as I felt that night on November 2 when they cast their ballots; for the atmosphere is now changed in the Eighty-first Congress of the United States.

This legislation will pass. The majority of the Members understand that this bill is socially desirable and economically sound and politically desirable—politically desirable because good housing strengthens the roots of democracy.

Mr. Chairman, I would like to read into the RECORD a telegram I received from the Republican mayor of our city, the Honorable Fletcher Bowron, and a copy of the telegram sent to Senator HUMPHREY when this bill was before the other body:

LOS ANGELES, CALIF., June 17, 1949.  
HON. HELEN GAHAGAN DOUGLAS,  
Member, House of Representatives,  
Washington, D. C.:

Strongly urge your support H. R. 4009 scheduled for House debate Tuesday. This bill affords Los Angeles only opportunity to launch effective community redevelopment program. Both title 1 providing funds for redevelopment and slum clearance and title 2 providing funds for housing families displaced by redevelopment program are absolutely necessary. This legislation will enable Los Angeles to convert blighted tax liability areas into community assets. May I urge you oppose all emasculating amendments.

FLETCHER BOWRON, Mayor.

HON. HUBERT H. HUMPHREY,  
United States Senator, Senate Office  
Building, Washington, D. C.:

Regarding your telegram concerning Senate bill 1070, today Los Angeles experiences housing shortage equal or greater than that immediately following war, particularly for lower income groups. We esti-



mate 88,000 families in city are homeless or in transient facilities or doubled up with others. This figure in addition to 73,000 families estimated to be living in substandard dwellings. Recent survey vacancies in this area considerably less than 1 percent. This confined exclusively to higher rentals. Practically no available housing in low or medium income brackets. Vacancies available for wage earners at this time average \$77 to \$110 monthly. Most vacant houses exclusively for sale. Study by Los Angeles City Planning Commission shows slum areas costing city five times more for fire, police, and health services than required in normal housing areas. Juvenile delinquency in slum area varies from 5 to 60 times higher than city average; tuberculosis rate 5 to 8 times higher; venereal diseases 13 times higher than city average. Los Angeles needs absolute minimum 10,000 units low rent housing.

FLETCHER BOWRON, Mayor,  
City of Los Angeles.

Why is it that this Republican mayor does not feel as some Republicans do that private enterprise can do the job?

The lie that California can clean and remedy its slums is best answered by the 1909 Report of the Housing Commission of the City of Los Angeles recently discovered in the city archives.

In this report, actual photographs are presented of slum buildings which continue to stand 40 years later in 1949. In other words Los Angeles as one city in California has had a slum problem at least as far back as 1909 and has been totally unable to cope with the problem until the passage of the United States Housing Act of 1937.

The mayor of Los Angeles supports this housing bill because he knows from the 10th annual report of Los Angeles City Housing Authority, that in the city of Los Angeles alone, intermixed and cramped in among several hundred important industrial plants, are 5,008 units of bad housing. The area comprises 1,928 acres of the city's most valuable industrial and commercial land. Less than 40 percent is being effectively utilized today. The balance is wasted by bad housing.

He knows that downtown Los Angeles has from 12 to 19 times more population than the city average; as much as 60 times more delinquency than the average good housing areas; the highest felony rate and is the recognized focal point from which social disease spreads throughout the city.

He knows that the taxpayers in the good housing areas of Los Angeles are charged for the excessive costs of maintaining the bad housing areas.

Out of every tax dollar collected from the good housing area of the city, only 32 cents is required in that area for normal fire, police, and health protection services.

For every tax dollar collected in the bad housing area not only the full dollar is spent but a tax subsidy of an additional 67 cents is required to pay for the inordinate costs for fire, police, and health protection.

He knows that freeway construction to relieve traffic congestion in Los Angeles is a necessity. For 3 years construction progress has been painfully slowed by hundreds of units of obstructing bad housing. In a 1-mile section of the

stalled harbor freeway, for example, there are 2,151 units of predominantly bad housing. In the balance of this freeway there are estimated to be 4,400 additional units of housing, a substantial number of which are bad housing.

Other public improvements are likewise retarded: The tentative site of Los Angeles' new civic auditorium contains 847 units of bad housing. The site of the board of education's administrative center incorporates an estimated 100 units of bad housing; additional space needed by the department of water and power, the city's prime supplier of utilities, is checked by 738 units of the worst housing in Los Angeles.

The mayor knows that every major epidemic in Los Angeles has germinated in areas of bad housing. Workers living in bad housing carry disease to all business, shopping, and residential districts of the city.

In 1946 Los Angeles was threatened with a major postwar outbreak of diphtheria. The epidemic began in bad housing on Bunker Hill. When 31 lives were lost in Los Angeles from bubonic and pneumonic plague the flea-carrying rats were traced to bad housing surrounding the northern end of the downtown shopping district.

Mr. Chairman, no wonder this bill is supported by the Catholic Welfare Bureau of the archdiocese of Los Angeles. I read from the letter sent to me by Rt. Rev. Msgr. Thomas J. O'Dwyer, archdiocesan director of charities:

THE CATHOLIC WELFARE BUREAU,  
ARCHDIOCESE OF LOS ANGELES, INC.,  
Los Angeles, Calif., May 23, 1949.

MY DEAR CONGRESSMAN: About four weeks ago I wrote you regarding the Housing Act of 1949. I urged you to give your wholehearted support to S. 1070 and a similar measure before the House of Representatives.

The overwhelming vote in support of S. 1070 in the Senate was most gratifying to the citizens of California who have been striving for decent housing in urban and rural areas for many years.

It was gratifying to learn that H. R. 4009 has been approved by the House Committee on Banking and Currency. Reports indicate that this measure may be voted on next week.

The representative of all religious denominations, labor groups, veterans organizations, clubs, in California and throughout the country are confident that you will endorse H. R. 4009. We have waited for nearly seven years for action on a sound and comprehensive housing program for the Nation.

As you know, H. R. 4009 would provide decent housing for families who cannot now afford it and aid in clearing slums that are a menace to family life and draining taxes from city and county treasuries. Passage of this measure will mean building of rental housing at a time when the only housing available is for sale. It will result in relieving serious overcrowding among lower income families. More than 3,000,000 families are now living with relatives.

This measure will provide aid to marginal farm families and assist them in developing a decent farm life. It will strengthen family life. Good housing is essential for good citizenship.

H. R. 4009 is a bipartisan bill and the only groups opposing this legislation are selfish interests who want to continue their high prices and high profits without regard to public welfare.

I trust you have read the testimony presented to the above-mentioned House committee by an outstanding Catholic leader. I refer to the statement made by Rt. Rev. Msgr. John O'Grady, Secretary of the National Conference of Catholic Charities. He has given information which he has gained first-hand from visits to hundreds of cities, large and small, throughout the Nation. In his statement he expresses the mind of the Catholic clergy and laity throughout the United States. His statement has been endorsed by leaders of many other religious denominations as well as by leaders of organized labor and veterans groups. I am counting on your support for H. R. 4009. May I hear from you.

Sincerely yours,  
Rt. Rev. Msgr. THOMAS J. O'DWYER,  
Archdiocesan Director of Charities.

Mr. Chairman, this bill is supported by the California League of Women Voters and I would like to read a telegram from Pauline M. C. T. Ploeser, president of the California League of Women Voters, and a letter from Anna Lord Strauss, president of the League of Women Voters of the United States:

BERKELEY, CALIF., May 25, 1949.  
Hon. HELEN GAHAGAN DOUGLAS,  
House Office Building,  
Washington, D. C.:

Essential to solve housing problem. Our growing State needs better housing. Veterans being urged not to come to California because of housing situation. Redevelopment plans need financing. Slum conditions worse than before war. Evictions causing hardships. California League of Women Voters urges your favorable vote on H. R. 4009.

PAULINE M. C. T. PLOESER,  
President, California League of Women  
Voters.

LEAGUE OF WOMEN VOTERS  
OF THE UNITED STATES,  
Washington, D. C., June 20, 1949.  
Hon. HELEN GAHAGAN DOUGLAS,  
House of Representatives,  
Washington, D. C.

DEAR MRS. DOUGLAS: The substance of the national housing bill, H. R. 4009, which is now before the Members of the House of Representatives for consideration, has been the object of many years of study and deliberation both inside the Congress and out. A similar bill (S. 1070), with wide bipartisan support, was recently passed for the third time by the other body of Congress by overwhelming vote.

We in the League of Women Voters have been supporting this legislation since 1945. We are disturbed by one of the arguments now being circulated by the opponents of the measure, namely, that for reasons of economy the United States should not undertake a housing program at this time.

The large national debt and the need for curtailing governmental expenditures wherever possible are indeed matters of great concern to all of us. Every authorization of Federal funds must, in our opinion, be weighed in terms of its contribution to the safety and well-being of the Nation.

It is recognized that the country must be kept strong from a military standpoint and Congress, with the consent of the people, makes available billions of dollars for this purpose. Some expenditures must also be made, in our opinion, to assure a citizenry morally and physically strong and devoted to its institutions. We must demonstrate before the world that within the democratic form of Government the basic needs of living can be attained. Of these, housing is one of the most important.

Some who in previous years opposed the housing bill as inflationary are now oppos-



ing it on the grounds of economy. We think the bill should be judged primarily on what it does to fill a basic need of our society. Another major consideration is what effect enactment of such legislation will have on the economy. On this basis, a period of economic recession is a particularly appropriate time for enacting a housing program. Such a program can make a substantial contribution toward a more stable economy by employing labor and increasing the national wealth.

Unfortunately, the cost of the program has often been misrepresented. The facts are that no appropriation (except for administrative expenses and a small amount for the farm housing program) will be required for fiscal 1950. Thereafter, the cost of contributions and grants will increase gradually over a 5- or 6-year period and finally level off at about \$300,000,000 a year for an estimated period of about 30 years.

According to the official communication of the Bureau of the Budget, inserted in the CONGRESSIONAL RECORD of June 8, 1949 (p. A3756), instead of requiring total contributions of \$16,000,000,000 for the low-rent housing program, a reasonable estimate of the total amount actually required for contributions would be \$9,000,000,000 to \$10,000,000,000 over the life of this program; to which would be added the contributions for slum clearance and farm housing, totaling somewhat over \$500,000,000.

We know you will want to make your decision as to your vote on H. R. 4009 on the basis of facts and in the interest of your constituents and the country as a whole. We feel confident that on both of these counts the housing bill merits your support.

Sincerely yours,

ANNA LORD STRAUSS,  
President.

Mr. Chairman, I would like to read into the RECORD two telegrams I have received, one from the Pasadena Citizens Committee on Housing, Gordon Terrace, Pasadena; and one from the San Mateo County division of California Housing Association:

LOS ANGELES, CALIF., June 21, 1949.  
HON. HELEN DOUGLAS,  
House Office Building,  
Washington, D. C.:

HINSHAW urged by many constituents to support H. R. 4009.

PASADENA CITIZENS COMMITTEE  
ON HOUSING.

REDWOOD CITY, CALIF., June 20, 1949.  
Congresswoman HELEN GAGAN DOUGLAS,  
Washington, D. C.:

San Mateo County division of California Housing Association and many other organizations have wired JACK ANDERSON and also urge you enlist all possible support for Public Housing bill.

FRANK ROSE AND  
ONA F. HOULAHAN.

Mr. Chairman, the following two editorials from the Fresno Bee, Fresno, Calif., dated June 20 and 21, 1949, speak for themselves:

[From the Fresno (Calif.) Bee of June 20, 1949]

PEOPLE CANNOT BE HOUSED BY MEANINGLESS  
CLICHES

President Truman's denunciation of the real-estate lobby was well-timed to coincide with congressional consideration of low-cost housing legislation.

This lobby which purports to speak for the real-estate business—a claim which is open to some doubt—is out to beat the legislation by various means, principally by

propaganda and direct pressure on Congress.

The President, who is as right as rain in his statement the country must have more low-cost housing units, understandably is annoyed by the tactics of this powerful lobby, which he has denounced on several occasions.

In a 4,000-word statement sent to Congress, President Truman said:

"There is a little group of ruthless men, claiming to speak for the members of these industries, who spend their time attempting to block progressive housing legislation. By letters, circulars, and paid advertisements, they continue to spread their misstatements, hoping people will eventually accept them as true."

Only one who is completely oblivious to reality could deny that hundreds of thousands of American families still lack adequate, healthful housing, and will be unable to obtain it in the foreseeable future unless it is provided for them by government.

The unconscionable position of the real-estate lobby is that, in exerting every effort to defeat public housing legislation, it proposes no alternative by which these families can be housed.

What are they to do?

\* Is the real-estate lobby completely callous to their plight?

The Senate recently passed a housing measure. It was sponsored by 11 Republicans, including Senator TAFT, of Ohio, and 11 Democrats, including Senator DOUGLAS, of Illinois.

The fact the housing bill brought together such diverse political and economic thinking as is represented by TAFT and DOUGLAS is the best indication of the urgent need of public housing.

But in the House, unfortunately, a bipartisan coalition of Republicans and southern Democrats has been organized to try to smother the legislation.

[From the Fresno (Calif.) Bee of June 21, 1949]

#### PROMISE OF HOUSING

Anticipated action by the House of Representatives this week on legislation to relieve the housing-shortage situation is of especial interest to thousands of Fresnoans awaiting a chance to enjoy decent abodes at rates they can afford.

A survey only last month revealed the city needs at least 1,000 more dwellings for lower-income-group families.

And, more recently, the city of Fresno and Fresno County housing authorities reported the situation will be worsened by discontinuance of the Calwa and Southern Pacific trailer camps projects.

The skeptics about proposed Federal aid and the actual need for relief should get some first-hand information.

It requires only a casual tour to convince any unselfish observer that all too many people here are in trailers, tents, and other make-shift quarters.

Newly built homes are plentiful, of course, but generally for sale at prices a great number of would-be buyers cannot meet. And as for rental properties, scarce as they still are, prices likewise are beyond the reach of many would-be tenants.

The remedy, under the circumstances, obviously is governmental assistance such as was given and which proved so helpful when the existing local low-cost-housing projects were constructed.

There is good reason for satisfaction because the Rules Committee sent the administration's housing legislation to the floor for a vote.

A proper show-down on the same issue was thwarted during the last session when the committee bottlenecked a similar proposal.

It is to be hoped the changed procedure will assure a measure of relief for many harassed Fresno homeseekers.

Mr. Chairman, the following is a copy of a letter sent to the gentleman from California [Mr. WELCH], together with copies of letters sent to the housing authority of the city of San Francisco and President Truman; also a letter from the board of Christian education of the Presbyterian Church in the United States of America:

SAN FRANCISCO PLANNING  
AND HOUSING ASSOCIATION,  
San Francisco, Calif., June 17, 1949.  
The Honorable RICHARD J. WELCH,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. WELCH: In connection with the floor debate next week on the housing bill, H. R. 4009, I believe you will find helpful a few current facts on the public-housing program in San Francisco.

With the opposition placing so much emphasis on fallacious arguments of economy, it is pertinent to mention just what public housing means to our communities in terms of dollars and cents. In some 9 years of operation, the San Francisco Housing Authority has paid to the city in lieu of taxes an amount just under \$2,000,000. (This includes the permanent low-rent program as well as the deferred projects for which land has been purchased, and the temporary war-housing and veterans' war-housing developments.) If the sites on which the projects are located had remained in their pre-public-housing condition, the city would have collected only \$89,919.47 in taxes based on the assessed valuation. The permanent public-housing projects alone represent more than half a million dollars of the \$2,000,000 payment mentioned.

In contrast with this, the city housing authority has operated its projects without 1 cent of rent subsidy. It is true that some of this, but by no means all, was due to the conversion for a time to war-housing purposes.

The San Francisco Housing Authority along with the housing authorities throughout the Nation is following systematically the edict of the Housing Act of 1949 (Public Law 901) which permits the eviction of over-income families. Each month 30 over-income families receive eviction notices. These notices are based on the highest ineligibility and special attention given to disabled veterans or other handicapped persons to avoid extreme hardship.

Despite the presence of some over-income families the average income of families living in these low-rent developments is \$2,659. Average income of tenants being admitted to the projects as of March 1949 is only \$1,550. Some rents are as low as \$13.50 per month with an average shelter rental of \$26.42.

One of the alarming facts about our housing situation here is that the rate of applications filed has accelerated some 25 percent since the beginning of the year. Families are applying for public housing at the rate of 560 per week—these families earn an average of \$1,500 per year. Signs of the housing problem are manifest in the tenant turnover in these low-rent units—slightly more than 1 percent per month, the lowest in the history of the authority's operations. You will find of interest copies of letters selected at random from the hundreds on file at the local housing authority.

Because of the real estate lobby soliciting from the man in the street I asked the housing authority to supply me with these letters from its files.

Before describing the San Francisco real estate market, I would like to bring to your



mind again the SFPHA study Blight and Taxes published in 1947. This study you may remember showed that the 41 blocks of blighted area in the Geary-Fillmore section costs 12 times as much to maintain (in terms of police, health, fire protection, juvenile delinquency, and related services) as the 53 blocks in the Marina, a standard residential district. The average Geary-Fillmore family paid \$21.40 per month for rent; the city received 368,020 dollars in real estate taxes and the other revenues from this area which fell \$373,295 short of paying its own way in 1946.

As for housing market, the Bay Area Real Estate Conference in its report published December 1, 1948, estimated that more than 40,000 are needed in San Francisco to take care of population increases and to allow the same vacancy factor as existed in 1940. This estimate does not take into account the substandard, unfit housing still occupied which is estimated variously as between 24,000 and 34,000.

While no precise data are available on the disposition of the 3,242 units completed in the first 10 months of 1948, information which the office of the housing expediter has obtained from such sources as the San Francisco Chamber of Commerce, Bay Area Council and Bay Area Real Estate Conference indicates that 85 to 90 percent of the accommodations so completed are offered for sale with the sales prices ranging from \$10,000 to \$30,000. Of those probably offered for rent, using the rule of thumb of 1 percent of cost, rents run from \$100 to \$125 per month and upward. Thus the supply contrasts sharply with the need as demonstrated by the demand for a ratio of 70 percent rental to 30 percent sale with only, roughly, 15 percent of our residents able to pay rents of \$85 and upward.

Mr. D. C. McGinnis, Federal Housing Administrator for this area, was quoted in the San Francisco News of February 8 of this year to the effect that the builders had taken the cream of the market and that the saturation point had been reached for the twelve and fifteen thousand dollar homes—that the big challenge to the builders is to meet the market able to pay between \$45 to \$55 per month. Thus far the economy house in California has not materialized in quantity, certainly not within the urban centers. An isolated house selling for between \$6,500 to \$8,200 (which Mr. Earl Smith, realtor of Oakland indicated he could probably do) provides no answer for the need for rental housing in San Francisco and offers less than a glimmer of hope for those families earning less than \$1,500 per year who must look to public housing for their salvation from slums. And as one colleague put it recently, our inability to provide decent housing for all families living in the slums is no excuse for not attempting to solve any part of the problem.

Thank you for your continued strong support of decent housing legislation.

Very sincerely yours,

(Mrs. Edward Howden),  
MARION BEERS HOWDEN

Chairman Housing Committee.

(Copies to Representatives BRENT SPENCE, HELEN GAHAGAN DOUGLAS, CLINTON D. MCKINNON.)

CITY AND COUNTY OF

SAN FRANCISCO,

DEPARTMENT OF PUBLIC HEALTH,

September 29, 1948.

Re Mr. and Mrs. Manuel Garcia, 16A Norfolk Street, San Francisco, Calif.

HOUSING AUTHORITY,

San Francisco, Calif.

DEAR SIR: Mr. and Mrs. Manuel Garcia (veteran, nonemployed as a truck driver), and their three sons, ages 7 years, 5 years, and 3 years, occupy a three-room first-floor

flat at 16A Norfolk Street. This appears to be the only building used for housing on this very narrow street, and it is wedged between factories and industrial plants.

The ceiling of the bathroom is dripping water from the lavatory area of the flat upstairs; two-thirds of the plaster is down from the ceiling and the laths are stained and rotting overhead. Over the sink in the kitchen there is an area about a yard square where the plaster has fallen, also there are other bulging areas where the plaster is cracked and likely to fall at any time. Two window panes are missing so that there is a constant draft and flies and mosquitoes buzz in and out. The walls are stained and in need of paint. There is no heat except from cooking in the kitchen. In the rear of the flat is a rickety unsafe-looking stairway leading to a tiny loose-dirt yard which is enclosed on three sides by walls about as high as the building and which is cluttered by cans of trash, old papers, and broken boxes. The whole place seems damp and musty. There is no play area because the street is so narrow automobiles are parked on the sidewalks.

The owner allegedly has refused to repair even dripping faucets and has an "if you don't like it you can move" attitude. Rent is collected by a real-estate agency.

I feel that this flat is unsanitary and a menace to the health and well-being of this family and contributes to the many upper-respiratory infections among the children. These unsanitary conditions have been reported to the housing division of the department of public health. If there is any housing available this family needs it before the colder rainy season begins.

Very truly yours,

DORIS ROBINSON,

Director, Board of Public Health Nursing.

By CLARA MEIER,

Supervising Public Health Nurse,  
San Francisco, Calif.

SAN FRANCISCO, CALIF.

President TRUMAN,

White House, Washington, D. C.

DEAR SIR: I have six children. Five of them sleep in the kitchen on folding beds. We don't have a bathroom. Five of the children attend school. I can't get apartment with private parties because they don't want children. If you will help me get public housing I will be very thankful to you. I have tried but failed.

Truly yours,

LONNIE J. AUTRY.

CITY AND COUNTY OF

SAN FRANCISCO,

JUVENILE COURT DEPARTMENT,

February 2, 1949.

SAN FRANCISCO HOUSING AUTHORITY,

San Francisco, Calif.

(Attention Mrs. Falcone)

GENTLEMEN: You will recall the application of the Serna family which was discussed with you last Friday by Miss Rickards. This is an intact family consisting of six children with mother and father. They are all living in one room. The father is employed by the Santa Fe Railway and earns a gross salary of \$7 a day.

This is a deplorable situation in that three of the children are forced to sleep on the floor as there is no room for even Army cots. It is not a true neglect situation since the problem mainly stems from housing. The family have a great attachment for one another, and we have been doing our best to try and keep all members of the family together. They will need furniture which we will purchase if housing can be found.

We consider this case a real emergency and can also state that we have a number of these cases coming to the attention of the court from time to time. We hope that something

can be done as soon as possible in providing an apartment for this deserving family.

Very truly yours,

FOREST R. PETERSON,  
Senior Probation Officer.

SAN FRANCISCO, CALIF.,

February 15, 1949.

HOUSING PROJECT OFFICE.

DEAR SIR: Is it still possible for to have a place for renting Mr. Adolph Roman Cruz, of 242 Mississippi Street, a place with your project. It is very urgent that he find a place because his wife and three children are in a very badly housing place located at 242 Mississippi Street. Four rooms would be necessary space he needs. The flat is a basement flat, no heat and a good deal of the windows broken. So it is very cold there. No stove or any way to heat the place, and the landlord charges him a very steep rent.

It is practically too much rent for the wages that Mr. Cruz earns although he works steady every day of the week except Saturdays and Sundays.

So if you in any way have a rental for him would you let him know at once, please.

Because his wife is expecting a new baby very soon it is urgent to have a place for her to come to warmer than the place they now occupy. Thanking you.

Very truly yours,

Mr. ROMAN CRUZ.

CATHOLIC SOCIAL SERVICE,

ARCHDIOCESE OF SAN FRANCISCO, INC.,

San Francisco, Calif., November 24, 1948.

Re Mrs. John W. Baillie, 2261 Mission Street, San Francisco, Calif.

Mr. JOHN W. BEARD,

Housing Authority,

San Francisco, Calif.

DEAR MR. BEARD: Mrs. John W. Baillie has written to me in regard to housing for her. I spoke with Mrs. Baillie and she is really in a very serious predicament. There are five persons living in one room and a kitchen. She has registered with you already, and I understand your staff is making every effort to find her housing.

I would appreciate anything you could do for her.

With kindest regards, I remain,

Sincerely yours,

Rt. Rev. WILLIAM J. FLANNAGAN,

General Director.

THE BOARD OF CHRISTIAN

EDUCATION OF THE PRESBYTER-

IAN CHURCH IN THE UNITED

STATES OF AMERICA,

Philadelphia, Pa. June 1, 1949.

MY DEAR CONGRESSMAN: Below you will find a copy of the action of our national body on the subject of housing. This action was taken on May 25, 1949 at the regular meeting of the general assembly, Presbyterian Church, U. S. A. This body is made up of over 800 commissioners representing about 8,500 churches throughout the United States. Respectfully submitted.

FERN M. COLBORN,

Assistant Secretary, Division of Social Education and Action, Presbyterian Board of Christian Education, Presbyterian Church, United States of America.

"STATEMENT ON HOUSING

"Housing: The inability of private enterprise and the failure of our Government to provide adequate housing for our citizens has led to unhealthful conditions, broken homes, delinquency and crime. Christian people are often unaware of the conditions under which others of their fellow citizens are forced to live. We recommend that our churches, in cooperation with other community agencies, conduct surveys of housing conditions in their own communities and



initiate whatever steps may be necessary to stimulate private industry to develop housing for the families of lower middle income, and encourage local government authorities to proceed with a slum-clearance and public-housing program for low-income families. We urge Congress to adopt legislation to provide a Federal-housing and slum-clearance program. We recommend that the general assembly communicate with the committees of Congress in charge of legislation securing these ends."

Mr. Chairman, the following is a copy of a photostat, showing the kind of campaign the real estate lobby in Los Angeles, namely the Committee for Home Protection, is promoting to defeat this legislation before us. This campaign is being carried on not only locally but nationally.

I call to the attention of the Members the Facts Sheet from the Committee for Home Protection, on how to promote prospects and to the Campaign Workers' Instruction Sheet on what to say and do. Especially note, that the telegram is to be brought to the campaign headquarters and paid for and sent to the Members of Congress by the Committee for Home Protection.

This is the same real-estate lobby that was successful in defeating proposition 14 in California in the last election. The following facts sheet illustrates the kind of campaign they are waging now and waged against proposition 14.

COMMITTEE FOR HOME PROTECTION,  
LOS ANGELES, CALIF.

FACTS SHEET

Use your own words and your own ideas when writing to your Congressman. He wants to hear from you.

Tell him your occupation or your affiliation—such as, "I am a veteran," "I am a housewife," "I am a shop keeper," "I am a bus driver"—then express in 25 words one of the following arguments:

1. The Federal legislation is substantially the same as proposition 14 and your district voted overwhelmingly against that proposition in the November election.

2. California has no slums it cannot correct and remedy through the use of its own resources and the enforcement of its own health and building codes. Why should Californians be taxed to pay for the clearance of slums in the congested eastern cities?

3. Pressure groups are making a big noise and are well organized through the city housing authorities to get something for nothing for themselves, but the real substantial working people are sick of their high-tax burden and the constant proposition that they should pay for somebody else's rent.

4. The cost of building homes has gone down and the trend will continue if you, as our Congressman, will devote your efforts to cutting the unnecessary red tape and the unnecessary expenses caused by obsolete building codes and building practices, and shorten the lengthy delays in getting FHA loans. Our builders can build cheaper in California, and within the reach of the average wage earner.

5. Government should not compete with its own citizens who have invested their money in rental property, nor should the Government take money away from the taxpayers and turn around and subsidize a business that goes into competition against them.

6. You, Mr. Congressman, are a Member of the House of Representatives, and you are close to the people. Don't let the action of the Senate, which is too far removed from what people are actually thinking, influence you. Vote with the majority of your constituents, who last November demonstrated they are against public housing.

7. Public housing will lead to ruinous taxation. Another \$18,750,000,000 would be added to the tremendous cost of Federal Government, which has reached such staggering proportions in recent years. Consider—each family so housed would cost the taxpayers at least \$15,000 in Federal contributions alone. Each family will be receiving a tax dole of more than \$31 per month toward its rent.

8. It is highly inflationary. Present housing costs are in part a reflection of our near million unit production record in 1948, with the consequent strain on material and labor supplies. If the Government enters the field in competition for limited supplies of critical materials and labor, the cost of both private and public housing will skyrocket.

9. It leads to local and national political pork barrels. It will result in tenants obtaining and retaining benefits of the low rentals only if they are on the right political bandwagon. It is easy to understand why occupants of public housing are readily susceptible to political pressure on behalf of the particular regime that may have made such housing available to them.

10. Public housing leads to socialism. Government ownership and management of homes where tenants are receiving rent benefits in the form of tax payments from the public treasury is one of the first elements of socialism. The individual becomes dependent upon the Federal Government for one of his major living requirements.

WHAT TO DO—CAMPAIGN WORKERS' INSTRUCTION SHEET

You need only this instruction sheet, a supply of telegraph blanks, and a copy of our facts sheet in order to obtain your quota of 20 objectors to public-housing legislation. Here's how you do it:

1. Select your prospect: Get a man who has absolutely no connection with the building or real-estate business. This is a grass-roots campaign; so look for laborers, white-collar workers, veterans, housewives, small-shop keepers—people in the middle and lower-income brackets.

2. Show the prospect your facts sheet.

3. Ask him to write his message on a telegraph blank.

4. Get your prospect to sign his name and address: Getting both the name and address is very important. It proves to that Congressman that this voter lives in his district. Also it gives the campaign office a double check, so that we can be sure the telegram is going to the right Congressman.

5. Send your telegram to the campaign office: Send your telegram, written in your prospect's own handwriting immediately to Frederick C. Dockweiler, chairman, Committee for Home Protection, 672 West Washington Boulevard, Los Angeles. Here it will be checked and filed for delivery in Washington.

Don't worry if neither you nor your prospect knows the name of his Congressman. Our campaign office will check the address and see that it goes to the proper man. For your general information, the map reproduced on the reverse side of this sheet lists our southern California delegation.

NOTE.—Should you have any questions, call W. B. Ross, campaign director, or his assistant, Mrs. Sammelman, at Prospect 7656.

Briefly, Mr. Chairman, here are some of the answers to the Facts Sheet propaganda prepared by the Committee for Home Protection in their campaign to secure telegrams and opposition to the public housing-slum clearance program. The answers given are numbered in the same serial order as on the Facts Sheets:

1. A detailed analysis of the campaign waged against proposition 14 by the real-estate lobby in California follows. This analysis was prepared by Mr. Hal Wise, director of the Proposition 14 Campaign and has been reviewed and approved by the Rt. Rev.

Msgr. Thomas J. O'Dwyer, president of the Proposition 14 Campaign.

2. According to the 1940 United States housing census, California had 466,308 families who were living in substandard homes (needing major repairs or lacking adequate sanitary facilities). A county by county census report is attached hereto.

The lie that California can correct and remedy its slums is best answered by the 1909 report of the Housing Commission of the city of Los Angeles, recently discovered in the city's archives. In this report actual photographs are presented of slum buildings which continue to stand 40 years later in 1949. In other words, Los Angeles, as one city in California, has had a slum problem at least as far back as 1909 and has been totally unable to cope with the problem until the passage of the United States Housing Act of 1937.

The argument that Californians should not be taxed to pay for the clearance of eastern slums is best answered by the facts presented in the Los Angeles City Housing Authority's Tenth Annual Report. This tax study shows that the taxpayers in the good housing areas of Los Angeles to the tune of many millions of dollars of unnecessary taxes which are required to pay for the excessive fire, police, and health-protection services in the bad housing areas of the city.

3. The only so-called pressure group in Los Angeles fighting for low-rent housing and slum clearance is the Citizens' Housing Council of Los Angeles, chairman of which is the Rt. Rev. Msgr. Thomas J. O'Dwyer. The so-called pressure group in the State of California for low-rent housing and slum clearance is the California Housing Association, the Southern California chairman of which is Earl Thomas of the District Council of Carpenters, AFL, the northern chairman of which is Mrs. Horace Gray, housing consultant for the California State League of Women Voters. It is important to note that neither of these organizations have office space, a telephone, nor any paid staff. Such work as is carried on is done entirely by the voluntary services of its members. A list of the California Housing Association members is attached. It is interesting to note that these individuals all represent an enlightened taxpayers' point of view regarding the true cost to our State of our slums, as compared with the cost of providing decent homes for those of low income living in bad housing.

4. Estimates released on May 1 of this year of average rental and sales prices on residential properties in Los Angeles County during the first 3 months of 1949 are as follows: (This data is based on the reliable estimates of governmental agencies and private lending institutions.)

A. Average monthly rental on new construction:

One bedroom: Seventy-five dollars and up, excluding utilities.

Two bedroom: Ninety dollars and up, excluding utilities.

Three bedroom: One hundred and ten dollars and up, excluding utilities.

Four bedroom: None available.

B. Average sale price on new and existing single family houses during the first 3 months of 1949 is estimated to be \$12,540, or 262 percent above the same house in 1940. The average sale price on vacant lots sold in Los Angeles during the first 3 months of 1949 is estimated to be \$3,570, or 264 percent above the sale price of the same vacant lot in 1940. The data above should be compared with the rent-paying ability of the families in slum areas in the city of Los Angeles.

In September 1948 the health, planning, and housing departments of the city of Los Angeles conducted a door-by-door survey of the Chavez Ravine area (part of California's Fourteenth Congressional District). Of the 823 families living in the area, 387 were



found to be earning less than \$199 monthly. The median annual and monthly of these lower-income families was found to be \$1,389 and \$115.75, respectively. According to fair standards, this income represents an average rent-paying ability of from \$19 to \$23 monthly, including utilities.

5. The Government's public housing program will never compete with private enterprise when it provides shelter for the income groups listed in answer to question four above. For example, the Los Angeles city housing authority reports that the average monthly income of families housed in its low-rent program during the first 3 months of 1949 was \$132.83; families housed included those requiring one-, two-, three-, and four-bedroom units. Furthermore, the housing authority is making rapid progress in the removal of the higher-income warworker families who were given occupancy in the public housing program as a wartime emergency measure. All families whose incomes exceed \$5,000 have already been required to move. At present only 12.7 percent of the families in the low-rent program are earning above the income limits set by the authority. It must be remembered that many of these families are earning only a few dollars above these income limits; that a substantial proportion of these families have three or more children; and that many of the families are members of racial and national minority groups, and thereby additionally handicapped in their efforts to secure decent housing within their means.

6. I believe, Mr. Chairman, this well enough answered by the document prepared by Mr. Hal Wise which follows:

7. The public housing in Los Angeles built under the United States Housing Act of 1937 requires at present only \$1.15 per unit per month, or 11.3 percent of the maximum subsidy available. The maximum cost of the program has been estimated by the Bureau of the Budget not at \$18,750,000,000 but at less than \$10,000,000,000 over a period of about 30 years.

8. The building industry in Los Angeles is actually entering a period of recession, due to the fact that prices have soared so high, that few can afford to buy or rent that which has been and is being produced. The best example of the recession in the building industry is a report released by the Los Angeles County Building Trades Council, AFL, which listed 2 weeks ago the following numbers of unemployed skilled workers: 2,000 carpenters, 400 plumbers, 1,000 plasterers, 500 electricians, and 6,000 painters.

9. Every tenant accepted for occupancy in public housing in the city of Los Angeles is screened for the degree of need by the Veterans Advisory Committee of the Housing Authority, consisting of the county commanders of the 12 veterans' organizations in Los Angeles county.

10. The answer to this question is self-evident. Public housing is just about as socialistic as public schools, public roads, or the 24 Republican Senators who, after many days spent hearing both sides, joined in an overwhelming 57 to 13 vote in favor of the public-housing program.

If this is socialism, then we are all socialists. Among these socialistic Republican statesmen are Vermont's FLANDERS, Ohio's TAFT, New Hampshire's TOBEY and BRIDGES, Michigan's VANDENBERG, Wisconsin's WILEY and McCARTHY, Missouri's DONNELLY, Maine's Mrs. SMITH, Indiana's JENNER and CAPEHART, Massachusetts' SALTONSTALL and LODGE, Nevada's MALONE, and Pennsylvania's MARTIN.

California Housing Association, Board of Directors: Rt. Rev. Mgr. Thomas J. O'Dwyer, State chairman, Los Angeles; Earl Thomas, Southern California chairman, District Coun-

cil of Carpenters, AFL, Los Angeles; Mrs. Shirley Adelson Siegel, Southern California secretary, Hollywood; Mrs. Horace Gray, Northern California chairman, San Francisco; Mrs. Edward Howden, Northern California secretary, San Francisco.

Southern California board: Robert E. Alexander, Los Angeles; George A. Beavers, Jr., Golden State Mutual Life Insurance Co., Los Angeles; George Black, San Bernardino City Housing Authority, San Francisco; Drayton S. Bryant, Hollywood; Floyd Covington, Urban League, Los Angeles; Frederick Crockett, Santa Barbara; William Hartford, Colton; Frances Hartwell, Reginald Johnson, Mrs. Ralph P. Lowe, Pasadena; Ralph A. McMullen, Loren Miller, Los Angeles; James Petrini, Bakersfield; John Quimby, San Diego Federal Trades Council, San Diego; Mrs. Andrew Rosenfelder, Council of Catholic Women, Los Angeles; Mae Saunders, Bakersfield; George W. Scott, Riverside County Housing Authority, Riverside; George Stephan, San Luis Obispo; Paul Sweetzer, board member, Catholic Welfare Bureau, Santa Barbara; George R. Wallace, Oxnard City Housing Authority, Oxnard; Harold F. Wise, Hollywood.

Northern California board: Mrs. Ernest Bernstein, Emanu-El Residence Club (Jewish Charities), San Francisco; Gardner Bullis,

California Conference of Social Work, Los Altos; Charles O. Busick, Jr., attorney at law, Sacramento; Mrs. Warner Clark, Young Women's Christian Association, San Francisco; Mrs. Jesse Colman, civic leader, member, SFPHA Housing Committee, San Francisco; Morse Erskine, attorney at law, chairman of SFPHA Urban Redevelopment Committee, San Francisco; Frank Fitzgerald, AFL Hotel Workers, (AFL representative on Community Chest and chairman of housing committee, Council for Civic Unity), San Francisco; Rt. Rev. William J. Flanagan, Catholic Social Service, San Francisco; Miss Alice Griffith, civic leader, Telegraph Hill Association, San Francisco; Mrs. Paul Heyneman, 1948 President of Berkeley League of Women Voters, Berkeley; John Hogg, AFL Building Trades, San Francisco; Jack Kent, department of city planning, University of California, Berkeley; Dr. Hubert Phillips, Fresno State College, Fresno; Mrs. Edward Macauley, civic leader and member of SFPHA Housing Committee, San Francisco; Cecil Poole, vice president Council for Civic Unity, San Francisco; Langdon W. Post, formerly regional director of Public Housing Agency, San Francisco; Frank Rose, formerly deputy regional director, Public Housing Agency, attorney at law, San Mateo.

Substandard housing in California, by county (United States Housing Census of 1940)

County	Total dwellings	Dwellings needing major repairs	Dwellings not needing major repairs but lacking sanitary facilities	Total substandard dwellings (needing major repairs or lacking adequate sanitary facilities)	Percentage substandard dwellings to total dwellings
Alameda	173,031	23,992	8,805	32,797	18.9
Alpine	139	15	95	110	69.2
Amador	2,968	416	998	1,414	47.6
Butte	14,488	2,258	3,695	5,953	41.1
Calaveras	3,159	299	1,565	1,864	59.0
Colusa	3,125	581	513	1,094	35.0
Contra Costa	31,297	5,292	2,170	7,462	23.8
Del Norte	1,836	85	687	772	42.0
El Dorado	6,726	804	2,932	3,736	55.5
Fresno	54,505	7,978	12,127	20,105	36.9
Glenn	3,745	881	909	1,790	47.8
Humboldt	15,386	1,764	3,474	5,238	34.0
Imperial	16,400	3,085	6,506	9,591	58.5
Inyo	2,770	269	1,031	1,300	47.0
Kern	39,801	6,663	7,640	14,303	36.0
Kings	11,110	1,303	4,153	5,456	49.1
Lake	4,126	434	1,063	1,497	36.3
Lassen	4,567	255	1,768	2,023	44.3
Los Angeles	961,531	36,928	69,214	106,142	11.0
Madera	6,945	574	3,111	3,785	54.5
Marin	16,472	740	797	1,537	9.3
Mariposa	2,229	101	1,408	1,509	67.7
Mendocino	8,625	1,550	2,168	3,718	43.1
Merced	14,464	2,411	4,458	6,869	47.5
Modoc	2,979	741	1,368	2,109	70.8
Mono	1,078	56	535	591	54.8
Monterey	23,154	1,840	4,086	5,926	25.6
Napa	8,752	626	1,176	1,802	20.6
Nevada	6,846	884	1,521	2,405	35.1
Orange	49,019	4,452	4,546	8,998	18.3
Placer	10,332	1,810	2,071	3,881	37.6
Plumas	4,159	605	1,475	2,080	50.0
Riverside	26,663	3,047	7,983	11,030	30.1
Sacramento	51,715	5,067	7,563	12,630	24.4
San Benito	3,403	373	689	1,062	31.2
San Bernardino	63,175	4,731	15,859	20,630	32.6
San Diego	100,245	6,576	11,705	18,781	18.2
San Francisco	222,176	9,773	21,140	30,919	13.9
San Joaquin	38,210	3,806	7,335	11,141	29.1
San Luis Obispo	11,891	2,221	1,637	3,858	32.4
San Mateo	37,230	1,919	1,624	3,543	9.5
Santa Barbara	22,664	2,906	1,582	4,488	21.7
Santa Clara	56,406	9,057	4,102	13,159	23.3
Santa Cruz	22,048	1,954	2,403	4,357	19.8
Shasta	9,762	1,453	3,679	5,132	52.6
Sierra	1,395	227	517	744	53.3
Siskiyou	9,493	1,383	3,052	4,435	46.7
Solano	15,312	1,533	1,710	3,243	21.2
Sonoma	26,831	3,085	3,676	6,761	25.2
Stanislaus	22,843	2,821	4,390	7,217	31.6
Sutter	5,686	756	1,620	2,376	41.8
Tehama	4,781	1,137	846	1,983	41.5
Trinity	1,513	185	618	1,003	66.3
Tulare	31,993	7,052	9,215	16,267	50.8
Tuolumne	4,961	536	1,869	2,505	50.5
Ventura	20,772	3,120	2,672	5,792	27.9
Yolo	8,148	1,120	2,032	3,152	38.7
Yuba	5,268	418	2,525	2,943	52.1
Total	2,340,573	185,548	280,760	466,308	19.9



Mr. Chairman, I wish to read a detailed analysis of the campaign waged against proposition 14 by the real-estate lobby in California:

#### CALIFORNIA'S HOUSING INITIATIVE CAMPAIGN

Don't be surprised when the new Congress is told flatly and with a certain amount of authority that the American people didn't vote for public housing when they voted for Harry Truman. The real-estate lobby is in the process of parlaying a resounding election victory in California into a national mandate against any public housing action by the Eighty-first Congress.

The disturbing thing is that the real-estate men did win in California by a better than 2 to 1 vote in the same election in which Truman beat Governor Warren on his home ground. They won while reactionary Congressmen like Bertram Gearhart, enemy of the 160-acre limitation, and Ed Fletcher, spokesman for the real-estate lobby, were defeated and progressive Congressmen—HELEN GAHAGAN DOUGLAS, CHET HOLIFIELD, FRANK HAVENNER—were returned to office. It was an election that was generally hailed as a progressive victory. And yet a public housing proposal similar to New York's law passed during Governor Lehman's Democratic administration, similar in philosophy to the housing plank in the Democratic platform, and similar to the United States Housing Act of 1937, was defeated.

How did the real-estate men win? Do they have a real "mandate" to present to the Eighty-first Congress? A close look at what went on in California in the months leading up to the election will spell out most of the answers.

The housing initiative, proposition No. 14 on California's ballot, was in itself a modern political miracle, a real "people's movement." It grew out of a dissatisfaction with the complete lack of housing action for middle- and low-income families by Congress and the State legislature. It grew out of the results of a legislative investigating committee on "the housing problem," chairmanned by San Francisco's State Senator Gerald J. O'Gara, who reported in January 1947 that there was an immediate need for just short of 750,000 homes in California. It grew out of anger that saw the average sale price on single family housing in Los Angeles County in 1941 of \$5,010 jump to \$12,870 by the second quarter of 1948.

While wiseacres shook their heads in disbelief, a citizens committee headed by the Rt. Rev. Msgr. Thomas J. O'Dwyer, Los Angeles archdiocesan director of Catholic charities, and long-time fighter for decent housing for the ill housed, put their measure on the ballot the hard way. It was the only measure that got on the ballot exclusively through volunteer circulators and the third proposal to so qualify in recent political history. All other initiative measures on this ballot—eight of them—qualified through professional circulation, including the usual fee for such services, \$75,000. Besides the initiatives, California voters were faced with 10 other measures placed on the ballot by the legislature. The housing initiative was there because some 6,000 people got almost 400,000 fellow Californians to sign housing petitions. These circulators, most of whom had never before taken any sort of personal political action, came from the American Veterans Committee, the AFL and CIO, from minority groups, church groups, and women's organizations.

The measure proposed to create a State Housing Agency, similar to the ones now in operation in Illinois and New York, equip the agency with \$100,000,000 bond-issue money in a revolving fund for loans and up to \$25,000,000 in annual subsidy allowances (contrasted with New York's \$50,-

000,000 loan money and \$35,000,000 subsidy allowances). The State agency was to operate similarly to the United States Housing Authority as conceived in the Wagner-Steagall Act of 1937 and enter into contracts with local housing authorities, of which there are 65 in California, for the construction and operation of low-rent public housing. Essentially, there was nothing new and different in the proposed California law. It was drafted after careful study of other existing State legislation. It was based on California's housing authorities' 10 years experience gained in working with the Federal Government.

Working with Monsignor O'Dwyer for the passage of proposition 14 was an impressive array of civic leaders and State-wide organizations. Vice chairman and director of the northern California campaign was Langdon W. Post, former tenement house commissioner in New York City and former west coast regional director of the Public Housing Administration. Post is presently a private-home builder operating on California's Monterey Peninsula. Actively supporting the measure was San Francisco's district attorney, Edmund G. "Pat" Brown (often spoken of as the Democratic candidate for governor in 1950), who has vainly tried to enforce the State building code and clean up the slums through the exercise of his police powers. Robert E. Alexander, prominent Los Angeles architect and president of the Los Angeles City Planning Commission, served the committee as secretary, while Capt. Edward Macauley, United States Navy, retired, wartime member of President Roosevelt's Maritime Commission, was treasurer.

Leading the groups that worked diligently in behalf of housing were the California League of Women Voters and the American Veterans Committee. The San Francisco Council of Churches, the Northern California Council of Rabbis, the California Council of Social Welfare, the San Francisco and the Los Angeles Archdiocesan Councils of Catholic Women, the Congregational Church's Committee for Christian Democracy, the Department of Christian Social Relations, Episcopal Diocese of Los Angeles, the NAACP, the AFL, the CIO, the railroad brotherhoods, and the Jewish War Veterans comprise but a brief list of the organizational backers of the measure.

Most significantly, the passage of proposition 14 was one of the main planks of the State's Democratic Party, adopted at their State convention shortly after the national convention in Philadelphia. Every echelon of the Democratic Party in the State was pledged to work actively to secure the passage of the measure.

How did the real estate men beat this line-up?

Fundamentally, it was simple. The real estate boys threw everything their pocket-books could buy at the voters. According to reports filed with the California secretary of state in accordance with the California election law, the opponents of proposition 14 spent well over \$100,000 in Los Angeles County alone while the proponents were doling out \$25,000 for the entire State.

They operated through several committees for home protection, which was backed by solid endorsement of the State Republican women, State and local chambers of commerce, the American Legion and leaders of the VFW, the AMVETS, the DAV, and in the final weeks of the campaign, every private enterprise organization that could conceivably be affected by "socialized housing."

Smear, fear and confusion—these were the three techniques of the propaganda line.

Such national smear experts as Herbert U. Nelson, executive vice president of the National Association of Real Estate Boards, and Fulton Lewis, Jr., radio commentator,

were imported to blast the "Communist" plot led by Monsignor O'Dwyer.

Nelson had just returned from Europe, where he had made a study of the housing situation. In the California housing fight he emphasized an important change of attitude on the part of the Soviet leaders. They were beginning to permit individual home ownership, which proved to Nelson that public housing does not work because even the Russians are giving it up.

Mr. Lewis gave proposition 14 his full treatment. He described the proposed law as grotesque and fantastic and likened it to such governmental flops as the Tennessee Valley Authority and the Federal Slum Clearance Act of 1937. But once his natural enthusiasm against anything progressive ran away with him. On his Nation-wide news commentary broadcast in mid-October—on that particular night unsponsored—he hit such a high (or low) in red-baiting and name-calling that local California radio stations were flooded with protests. The results caused some gray hair at home protection headquarters. FCC regulations requiring equal time to all sides in a political controversy were pointed out to the Mutual-Don Lee System and Monsignor O'Dwyer was given 15 minutes of free radio time over their 20-station California hook-up, \$2,500 worth of radio time the housing initiative committee could not afford to buy.

Concerned with what Monsignor O'Dwyer's distinguished leadership would mean to the church vote, the Los Angeles Committee for Home Protection used a red brush liberally as it addressed a letter to every parish priest in southern California:

"\* \* \* I do not like to stigmatize this measure as communistic, but I am sure that you will conclude that it does have many of the aspects of Russian ideology if you will take the time to read the pamphlet herein enclosed. Incidentally, this constitutional amendment was drawn up with the aid of the notorious Communist, Leo Gallagher, and his partner, Mr. Margolis."

Incidentally, neither Gallagher nor Margolis had anything to do with the campaign, much less the drafting of the bill; even though every one connected with the campaign was titled "communistic" or "Communist duped" before the show was over.

Close to smear came the fear campaign. They tried to scare the voters into believing that the passage of proposition 14 would mean that they would live the rest of their days under the dictatorial whim of a board of five housing commissioners (the bill provided that they would be appointed by the Governor), that cheap labor would flood California in search of free housing, that the voters would be subjected to outrageous taxes, that they would probably lose their homes, that, in short, the entire economy of California would be permanently wrecked.

The confusion element was, in part, the fault of the drafters of the bill. Long, detailed and involved, the measure was perfect for the purposes of those who wished to take a clause out of context and point with horror. Avoiding the real issue, that there was a need for housing for families who could not afford the private product, the home-protection speakers insisted that private endeavor was building low-cost housing. But they neglected to mention that such housing was miles away from most employment opportunities. Ignoring accepted statistics they insisted the housing shortage would be over in a very short time.

One of their most effective out-of-context weapons was a clever misquotation on the financial arrangement of the proposed State housing agency. After being advised informally by an attorney of the State legislative council office that the fund requirements as stated in the bill would in no way



affect the public schools' first call on State moneys, the home protection committee told voters the direct opposite.

Their own funds were a problem for a while to the committees for home protection. Their pleas just didn't seem to work. But they finally hit upon an effective scheme. They had a poll taken. Results of the poll, they claimed, showed that 60 percent of the voters were in favor of proposition 14 (this was 6 weeks before the election). With this ammunition they went to their supporters and said, "We'll never raise \$200,000 from among the contractors and realtors, the savings and loans, the banks and the rest of them on \$5, \$10, and \$25 gifts. You have had bad news and your life is at stake." These groups were told emphatically that the passage of proposition 14 would put them out of business and that it ought to be worth 10 percent of their anticipated gross this year to stay in business next year.

Further, they were told that since this campaign was so directly a threat to their businesses that all donations would be income tax deductible as a cost of remaining in business. It is not definite at this point as to whether the Bureau of Internal Revenue will go along with such thinking, but it is certain that those who gave money for the passage of proposition 14 enjoyed no such tax-exemption dreams.

This approach really worked and the money began to roll in, and the propaganda roll out.

The polls pointed their slogans in a new direction, too. At first their billboard and leaflet catch phrase was "Smash this left-wing Wallace scheme." Then they took their poll and found that people really wanted housing, that some people would vote "yes" just because it was a housing measure. So they switched to "For good housing vote no." Finally this was dropped in favor of "Don't pay somebody else's rent."

This threat of socialism threw into gear a machine no political party or candidate could dream of owning. Through the utilization of normal channels of business organizations, which included many groups traditionally identified as nonpolitical, the anti-14 forces were able to reach hundreds of thousands of voters directly.

Led by the California Savings and Loan Association, every savings and loan company mailed to each of their depositor members bulletins and warnings against the dire evils of proposition 14.

During the last week in the campaign over 10,000 apartment-house landlords through the Apartment House Owners Association in southern California tucked under the doors of their 150,000 tenant families sample eviction notices. They said that the tenant might be evicted if proposition 14 passed—and quoted out of context to "prove the point" through the eminent domain provisions included in the proposed law.

Similarly, leading doctors sent a letter to all doctors, pointing out that this was but one step from socialized medicine.

All insurance brokers got a letter from one of their colleagues that started out: "As an insurance man and a key figure in your community, in contact with many individuals and business firms, you should, in your own interest, do everything possible to defeat proposition 14 on the November 2 ballot." It continued later in the letter, "Proposition 14 sets up a supergovernment in California which can eventually control every phase of construction an home building. It means that the State, sometime within the next 50 years, can take over the insuring of property. It is easy to see the disastrous effects of such a measure to our insurance business."

Credit associations, chambers of commerce, merchants associations, trade associations, every organized individual-enterprise business group joined the propaganda parade.

It may come as a surprise to some that all of the major veterans' organizations of the

State except the American Veterans Committee and the Jewish War Veterans were used one way or another against the public housing measure. It should be a surprise because every one of these groups has gone on record nationally in favor of public housing, the Legion as late as their national convention in Miami this fall.

The real-estate boards operated primarily behind the front of their committees for home protection. The only State-wide organizations with a broad base and broad appeal to be in front of the opposition's front were the veterans' groups. There is no question but that the continued repetition of the names of the Legion, the VFW, the AMVETS, and later the DAV in opposition had a serious effect on the outcome of the election. The home-protection boys repeated "this is not a veterans' bill" over and over again with deadly results, although the measure had never been claimed to be exclusively for veteran aid. One piece of literature turned out by the committee for home protection had the following to say: "The American Legion says: 'Vote "no" on the Bolshevik proposition No. 14'; the Veterans of Foreign Wars say: 'Proposition No. 14 is a racket'; J. W. O'Sullivan, AMVET housing director, says: 'Proposition No. 14 is a communistic scheme.'"

The Legion, actually, was the only veterans' organization that came out flatly against the bill. The DAV voted in convention in favor of the bill in July—but their State commander announced that he, and, therefore, his organization, was opposed in October. The VFW and the AMVETS officially took no action.

The Legion story is a lesson to amateurs in politics. For 3 months the Legion State housing commission, appointed by the State commander and under the chairmanship of Ferris Sherman of Tulare, studied the bill in detail. No other group that either endorsed or opposed the measure took as much pains to find out all the details as did the Legion's housing commission. At the end of their studies the members of the group voted, not an endorsement, but a recommendation to the coming State convention that the measure be endorsed. They felt that proposition 14 was good legislation, necessary, and in the interests of the veteran and the general public.

Prior to the State convention three southern California Districts, representing roughly 120 individual posts, actually endorsed proposition 14.

Came the State convention. The proponents of proposition 14 felt safe—the Legion endorsement was in the bag. But the real-estate lobby had been busy. One of the first orders of business of the convention after it convened was the appointment of a new housing committee to serve just for the convention and made up of some 30 or 40 men, only one of whom had been a member of the housing commission that had studied the measure so thoroughly during the year. The time of the meeting of this committee to study proposition 14 was not generally announced. Nevertheless, it just happened that at the exact time that the group did meet a fancy luncheon was being served on the other side of town for distinguished Legionnaires. In retrospect it was found that every member of the previous year's housing commission who might have influenced the new group was a distinguished Legionnaire, and of course, at the luncheon, a luncheon sponsored by the Home Builders Institute of San Francisco. That's just about the story. The new committee passed out a damning resolution of opposition which was later rammed through the convention.

At the VFW convention the story was much the same but not quite so lurid. A resolution for endorsement was handed in by the Sacramento County Council. The chairman of the resolutions committee turned it over

to a subcommittee of one for report. The subcommittee was a State assemblyman, long an opponent of public housing in the State legislature. Between the subcommittee and the chairman of the resolutions committee the endorsement was killed and never got to the floor of the convention.

The DAV had its State convention early in the summer. Monsignor O'Dwyer's group was informed that the DAV had endorsed proposition 14 as a part of the report of the DAV housing report. From then until 2 weeks before the election the DAV was listed as supporting the housing initiative. Then the State Commander, "Tex" Rose, issued a statement in flat opposition. The State adjutant called the proponents' headquarters and told them to stop using the name of the DAV. During the protesting days that followed nobody at DAV headquarters was able to find the minutes of the State convention wherein the endorsement occurred. The real-estate lobby won another round.

Spearhead of the veterans' drive against proposition 14 was J. W. "Bill" O'Sullivan, State housing chairman of the AMVETS. O'Sullivan, a building materials salesman, was a veteran speaker for the Committee for Home Protection and as such got \$25 a speech. Although his organization never did take a position one way or another on the bill, O'Sullivan was generally introduced in his capacity as AMVET housing chairman. At an AMVET State executive board meeting in October, his fellow AMVETS were so incensed at his behavior that a resolution was introduced demanding his ouster. In the interests of preventing bad organizational publicity, however, the resolution was dropped on the promise from O'Sullivan that he would no longer speak in his official capacity. But the damage was largely done by that time.

The real estate lobby has made California safe from the menace of public housing, at least for a while. Now they are getting ready once again to do the same for the whole United States.

Milton J. Brock of Los Angeles, president of the National Association of Home Builders, fired the first post election shot in this campaign when he called a press conference in Washington D. C. on November 15. Glee-fully he told reporters, "The people turned it (Proposition 14) down even in the face of their tremendous need for housing. If ever there was a State that felt the need of public housing, California is in that category. The results would have been the same if the issue had been put to a test anywhere in the United States."

Correspondent Frank Rogers of the Los Angeles Daily News, one of the few metropolitan newspapers of the State that supported the measure, summed up, "Brock called the press conference to express his delight at the defeat of proposition 14 and to reaffirm his organization's opposition to all forms of Federal participation in the housing business—except the financial end."

In the week following the election, local real estate board presidents throughout California were identically quoted in their various local newspapers. After inserting their own names, they handed out a release prepared in their State headquarters: "The eyes of the Nation were on California during the election campaign. Builders and realtors of the country awaited the electorate's decision as to whether socialized housing would be allowed."

It cannot be denied that coming battles in Congress definitely will be affected by the interpretation the California Real Estate Association has given the California election. The National Association of Real Estate Boards directs Washington anti-public housing strategy. Twenty-five percent of the national real estate organization's membership comes from California. And this machine is warmed up and ready to go.



They won their fight in California while the voters were electing progressive Democratic candidates. They won their fight in the Democratic Seventy-ninth Congress and in the Republican Eightieth Congress. They feel confident that they have the combination that can repeat in the Eighty-first Congress.

Mr. Chairman, the real-estate lobby was able to kill the housing initiative in California. The money spent to defeat proposition 14 will never be tabulated, but it must have run close to a quarter of a million dollars.

The proposition itself was never the issue. Nobody really discussed that. It was "socialism" and "communism" and "bolshivism" and "mortgaging your children's future" and "paying someone else's rent." That was the campaign carried on.

Where the issues were discussed, and they were discussed in the Fourteenth California District, which is the district I am proud to represent, the proposition carried.

The same kind of campaign is being leveled against the Congress of the United States, but this time the forces of reaction and greed will not prevail.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

(Mr. ANGELL asked and was given permission to extend his remarks and include correspondence, permission for which had been previously given.)

Mr. ANGELL. Mr. Chairman, I have the honor to represent the Third Congressional District of Oregon, in which the city of Portland is located. It has a large urban population and by reason thereof the citizens of the district are deeply interested in the public-housing question and the bill H. R. 4009, which we are now considering. As in other districts, some of my constituents are for the objectives of the bill, others are opposed. I have advised them that I am endeavoring to keep an open mind on the problem until the legislation has been explored both by the committee and on the floor and until all of the provisions to be included in the bill have been decided upon.

Oregon has had the largest percentage of increase in population since the war of any State in the union, practically 50 percent. The major part of this increase is in my congressional district, which has accentuated the housing problem. The building industry has done a good job in house construction in Portland. Low-priced houses for purchase or rent are still in demand. I want to protect private industry and enterprise and also have adequate low-cost housing for low-income groups and clean up the slum areas.

Pursuant to authority heretofore given, I am including as part of my remarks a statement by the Honorable Dorothy McCullough Lee, mayor of the city of Portland, and a telegram from the Portland Housing and Planning Association, both in favor of the legislation, and a letter from the president of the Portland Chamber of Commerce advising that the

board of that organization is opposed to H. R. 4009.

THE UNITED STATES  
CONFERENCE OF MAYORS,  
OFFICE OF THE EXECUTIVE DIRECTOR,  
Washington, D. C., June 22, 1949.

HON. HOMER D. ANGELL,  
House of Representatives,  
Washington, D. C.

DEAR CONGRESSMAN: In a survey which we have made dealing with the need for slum clearance and housing, I have received the attached statement from Mayor Dorothy McCullough Lee of Portland. In your consideration of the housing bill, I thought that you would find this statement of factual interest since it deals with the problem in Oregon's major city.

I am,

Faithfully yours,

PAUL V. BETTERS,  
Executive Director.

In recommending early passage of the Housing Act of 1949, H. R. 4009, we have in mind the extended hearing, exhaustive investigation, and full debate, in and out of Congress, which have been devoted to the basic principles and provisions of this measure during the past 4 years. We are fully aware, too, of the bipartisan support which has characterized the proposed general housing bill, presented since 1945. The need for declaration of a national-housing policy and objective, with means for attaining them, is one of the major problems before the Eighty-first Congress. Limited improvements made through passage of the Housing Act of 1948 did nothing to provide aid in the principal problem areas of housing—low-rent public housing, slum clearance, and redevelopment of blighted areas, housing research, and farm housing.

H. R. 4009 constitutes the first step toward meeting these pressing needs and points the way toward fulfillment of one of the basic tenets of democratic government—that it should do for the people those things which they cannot do for themselves.

The housing needs of Oregon and Portland differ only in degree from those in other parts of the Nation. In August 1947, when Oregon's population increase stood at 33.3 percent over 1940, the immediate housing need was estimated at 108,996 new dwelling units, merely to obtain the same ratio of dwellings to families that existed in 1940. As of today, Portland's population increase is approximately 50 percent over 1940. The Columbia River flood of May and June 1948, wiped out 6,353 dwelling units, 5,304 being temporary Federal units in Vanport (19,500 people in that one project alone, as of the time of the flood), occupancy of which was 55 percent veterans.

Prior to the war, only about 2,000 dwelling units were constructed in any one year in Portland. In 1948, permits were issued for 3,075 dwelling units. Private industry has tended to limit its building activities to the higher-price levels, where adequate profit can be made. It has not been able to operate profitably in the lower- and middle-income field, where the greater part of the need exists. It is our conviction that this greater need can be met only through further governmental aids, as proposed in H. R. 4009.

DOROTHY McCULLOUGH LEE,  
Mayor of Portland.

PORTLAND, OREG., June 22, 1949.  
HON. HOMER ANGELL,  
House Office Building,  
Washington, D. C.:

After careful consideration this organization with more than 30 years work in the field reiterates its previous position on general

housing legislation, therefore we urge your support and vote for House bill 4009 as essential step towards improving local intolerable housing situation.

PORTLAND HOUSING AND  
PLANNING ASSOCIATION,  
MRS. JOHN CATLIN, Secretary.

PORTLAND CHAMBER OF COMMERCE,  
Portland, Oreg., May 31, 1949.  
The Honorable HOMER ANGELL,  
House of Representatives,  
Washington, D. C.:

DEAR MR. ANGELL: The legislative committee of this chamber, and today the board, have considered H. R. 4009, the Federal housing bill.

We wanted to pass on to you the opinion that H. R. 4009 would place the Federal Government too deeply in competition with private enterprise in the housing field. There were discussed instances of high cost private home construction and parallel and related instances of very excessive cost of Government construction of housing projects which are well known to you and have been the subject of discussion before Congress in past years.

The bill is regarded here as one which extends the principles of socialism deeply into our present economic governmental set-up. It is argued here that private industry has been making very substantial strides in meeting the housing needs and it can and will continue to do so unless forced into inactivity by a Federal housing bill pitting Federal funds against those of private builders.

Our board wishes you to have these views as a matter of information and as an expression from one organization which arrives at its conclusion in opposition to H. R. 4009 only after extended consideration of the contents of that bill.

Yours sincerely,

ALBERT BAUER,  
President.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GOODWIN].

(Mr. GOODWIN asked and was given permission to revise and extend his remarks.)

Mr. GOODWIN. Mr. Chairman, I shall vote against this bill. I will not knowingly commit my people to take another long step down the road toward a welfare state. Even if I felt that the bill provided a program which I deemed to be a proper one under our system of free economy, and not, as I am satisfied it is, a dangerous piece of experimentation with an alien ideology, I would still oppose it on the ground of economy.

I could not continue in good conscience to write my constituents as I am doing every day that I agree with them in favoring the recommendations of the Hoover Commission to save three or four billion dollars and then vote for this bill to burden the taxpayers with a new expenditure estimated at \$16,000,000,000 over a period of years.

This country is headed for deficit financing with a consequent further devaluation of the dollar unless we either increase taxes or curtail spending. There is no doubt in my mind as to what the rank and file of the people want. And I am sure they are depending upon us to do it. My mail is becoming increasingly heavy with requests that I vote to cut the cost of government. One



exasperated constituent writes to propound a query as cogent as it is curt, "When are you going to stop spending my money?"

If this bill passes every taxpaying citizen is going to be handed a bill to pay somebody else's rent. Such a proposition certainly jars the sensibilities of those of us who have been brought up to believe that America has grown great and strong through the exercise by her citizens of the principles of thrift, industry, and personal initiative. But more than that, the other fellow's rent bill will be for rent in housing put up by the Government at perhaps double the cost for housing built by private industry. Nobody has yet found anything which the Government does which does not cost more than if it were done through private enterprise.

However, the argument of economy need not be urged because the bill should be vigorously opposed on other grounds.

There is an element of deception in the bill. A pitifully small number compared with the number of those who will pay the bills will ever directly benefit, and those relatively few will probably not be those most deserving.

The bill threatens the nationalization of the building industry. Private builders have done a splendid job in home construction and will continue to do so and will lick the housing shortage if encouraged by the Government. But there is no encouragement to private builders in this bill which threatens to deprive them of the men and materials which will be used instead for public housing.

We are here today establishing congressional policy. If this bill passes we will be making it that much easier for a spending administration to carry out its apparent design to set up a welfare state, further pyramid an already topheavy, overlapping bureaucracy and take more billions away from the taxpayers to build our homes, finance our schools, and pay our medical bills.

There is the danger. Bureaucracy begets bureaucracy. The welfare planners take renewed courage with each advance toward the welfare state. Not only will this bill, if enacted, be simply the start toward an ever-expanding political, public-housing empire, but it may serve to pave the way for similar experimentation with planned economy in the other fields now being cultivated by the planners where more power may be centralized in Washington for projects to be financed by public funds. Let us not let the camel get his nose under the tent.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

(Mr. MICHENER asked and was given permission to revise and extend his remarks.)

[Mr. MICHENER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, yesterday I made a speech here on the floor

on this bill. The official reporters sent me the transcript of my remarks so that I could find out what I had said. Through a mistake in my office, it was not returned and so was not printed in the RECORD. I ask unanimous consent that it may appear at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Chairman, I do not find myself in full agreement with the party I represent here in Congress. Of course, this is nothing new, to announce because occasionally I do not agree with the orthodox Republicans.

The bill we have before us at this time is neither socialism nor communism.

The record of my family in America dates back as far as any of them, I believe. From the year 1634 to the present moment we have taken part in the building of this great Nation.

What was confronting the people a century ago is not the condition that we are met with today. What was enough for the people of a century ago is not enough for the emergencies we meet today as we go along the pathway toward maintaining a democracy.

In this bill the Government is not going into the business of building houses. If it were I do not believe I would support it because when the Government undertakes anything in most any field it is pretty extravagant in the use of the taxpayers' money. But here it does not enter the building program at all. It simply makes funds available so that people can finance themselves. And let me tell you that the question of funds is vital, as I will demonstrate to you.

Mr. Chairman, as I said before, my people came to Massachusetts in 1634. They stayed there for about a century. But soon the interest charges caught up with them and they lost what they had. They moved across the Allegheny mountains into the beautiful valley of the Ohio. There they hewed out new homes in the wilderness and drove the Indians ahead of them and settled where a man's scalp was comparatively safe. Then the investor came along and the interest rates ran from 12 to 24 percent in due time. You can figure it out by the calendar. They were just about 50 years struggling under this interest rate.

They lost what they had. They gathered up what was left and moved over into the valleys of Indiana, Illinois, and Wisconsin, settled anew, fought Indians and hewed out a new home in the wilderness. In due time the interest caught up with them again. In about the year 1840 they lost out in Wisconsin. But suppose they did, what difference did that make? There were millions and millions of acres of vacant land in the West. When these pioneers lost out, they moved on to a new country.

My people moved on. They moved from Minnesota out into the territory of Dakota where land was free, and there was plenty of it. Those settlements were made there in about 1882.

Now, let us apply that 50-year period again, the 50-year period for which this

interest has run from 12 to 24 percent. I know what I am talking about because I have seen my family pay it. At the end of that 50-year period, almost to a day, they lost out in Dakota and all their neighbors lost out. They were foreclosed upon. In the year 1933, when the depression started, those old pioneers lost out, but they had come to the end of the great Free West. There was no West left, no land left; there was no place to go, and there is no place in America where you can go like they used to 150 years ago. We have come to the end of the free land.

Then, what happened? Added to that we had 9 years of drought, the greatest drought ever known in the West. There was nothing growing out there except the trees along the Missouri River. There were sand banks in the towns and villages as high in summer as the snow was in winter. Many of them moved out, but there were a lot of us too poor to move out, and we stayed, and through the instrumentalities of this Government of ours, through low interest rates and assistance by the Federal Government, a great percentage of them stuck it out, and now for 9 years we have had great crops. That great Dust Bowl has blossomed into a garden and those who remained own their homes and they have bank accounts.

I was asked on the floor of this House years ago when we requested appropriations for this purpose, "Why don't your people move out of that no-good country?" We could not move out. We built our homes and our churches and our schools and our cities and our institutions and we stayed. Let me say to the Members of this Committee that if it had not been for that innate desire in the breast of every human being in this world to own land and to own a home, that great Dust Bowl would have been destroyed. I think there are Members on this floor today who remember what was said when this Congress appropriated money to rebuild these farms in North Dakota, South Dakota, Montana, Kansas, and Nebraska: It was socialism. Out of the \$72,000,000 that they put into the reconstruction of homes in North Dakota \$71,000,000 has been paid back, and they have not been charged with that interest rate that was so ruinous to all, that ruined us from the Alleghenies to the Pacific coast. This Government has seen fit to destroy that great interest octopus that works at night when the farmer is supposed to sleep.

You say to me that private enterprise could do the job. Well, the largest city we have in North Dakota has only a population of about 35,000. The slums in that city have remained there for the last 60 years to my knowledge. Private industry does not want to eradicate them but the people of the city would like to see them taken out, and under this bill you can do it. Under this bill the Government will finance on a rate of interest that they can afford to pay. Does anybody here think that you are giving away this money? Does anybody here think that you will not get most of it back?

Those who say you will put in over a billion a year have not stopped to



figure how much you will recover every year in payments.

I say to you that the question of ownership of land is the one question that agitates this whole world today. The question of ownership of land is a question which agitates Europe, which foments revolution and war. If the people of those countries could own some land they would be content, but they cannot get the land. It is in the hands of those who cannot use it. England has recognized this and now is developing those great hunting fields, and those large lord estates so common to English history are being utilized by the people who can use that land.

Here in America we are all on an equality under the Constitution. We are supposed to enjoy life, liberty, and the pursuit of happiness. If you will pin that down with ownership of land, you need not be afraid of communism or any other kind of ism, but just as soon as you starve the people into wanting land that they cannot get, you had better prepare to defend yourselves against Communists. The ownership of a home which the farmer can get under this bill, the ownership of a home which the man in the street can obtain under this measure, is that which will build America.

I heard the crocodile tears here about what this is going to cost, but those who made those speeches yesterday were the same men who voted billions to Europe. Does it cost too much to build homes in America?

Under this bill, the farmer is given a chance to again own his home, through low-interest costs and is enabled to improve the one he has. All people in the United States, every family, should be given a chance to own their own home—if they want it, and when you stake down democracy with homes, this democracy will continue through the ages. Take away this opportunity to own land, and this democracy will go the way other democracies have gone in the history of the past. The dusty pages of history show many examples of democracies which once existed but perished, perished because those who husbanded the soil were denied that opportunity to own land.

This plan of home ownership will do more to preserve this Nation than all the billions we can send abroad or use up at home in military protection. Let no one say this costs too much—can it cost too much to preserve the United States of America?

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

[Mr. REED of New York addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, today or next week at the latest we shall decide whether to abandon, for a long time, liberty under God, self-government, self-

responsibility, and individual production of property and responsibility for its disposition. Shall we abandon liberalism? "Liber" means "free," "al" means "pertaining to freedom," and "ism" means the system of freedom.

Must we resort to the only other alternative available to us, and that is the management of the individual's production, his houses, by the crowd, the leader of which shall apportion the production of the free individual in the name of administering charity or satisfying his conscience that he is doing good at the expense of others—and while he is doing it, making an excellent living for himself and accumulating to himself power and further political position.

Those who play in this drama are dramatizing the slums as the moral excuse for the crowd to take over the individual's property under liberty, to clear the slums lest the disease spread and infect the whole of our society. In that way they hope to establish a right to exercise health and police powers under the Constitution.

But this bill, based on the experience of the Housing Authority in the past, eliminates the clearance of slums as specifically provided for in the present law by this language which I read from the law itself:

That no capital grant shall be made for the \* \* \* construction of new dwellings unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in a locality or metropolitan area, substantially equal in number to the number of newly-constructed dwelling units provided by the project.

That is blocked out in the bill now being considered.

Now, the building authorities can go out into the broad field in the first step of making a chain of poor houses for all of us—a million this year, a million next year, and a million for many years to come. This is no longer a project for the poor. It never has been a project, really, for the poor, because the poor cannot even pay enough rent to keep the projects going even when you charge one-half of the proper rental under Government subsidy. The charity which has to be administered must still be administered by churches and by private citizens. This is a program of socialized housing into which we must all, eventually, move, because the construction of houses under liberty is at this moment dead. It has been dead, and we are not going to kill it in this step—it has been dead for 8 years. It was 8 years ago that we destroyed, substantially speaking, individual construction in this field of our economy.

Seventy percent of all the financing of all the houses which were built since the war have been built on Government credit. No one will build a house today for rental. No one can depend on what the Government is going to do either in regulating rents against the private owner, while it exempts itself from regulation, or setting the rents that will be charged next door to a house owned by an individual for investment. Individual freedom has not failed society. Government itself, with its building projects,

and with its management of this branch of our economy, has itself created the slums and created the difficulties which never will be cured until we restore and revive and reestablish confidence in contract rights, property rights, and the right of the individual to produce and manage his own property so that he can depend upon it for himself for life and for his children after him.

To make this charity look good, the boys in this play took to the sky. Instead of crying out from the housetops about the charity they were going to do at the other fellow's expense, they cried out from the sky and fooled the people again, and told the poor people that they were going to have houses.

The Government cannot give charity. Only the individual can. Political charity screams from the sky and from the house tops to the 557,000 tenants the Government now has.

"Appreciate what we have done for you and believe you we are going to give you 1,050,000 more. Appreciate us. Vote for us. We are giving you charity and crying out about it in typical political form."

Judging from the speeches on the floor, next in importance to the drama of slum clearance is the question in the minds of the Members of whether public housing is socialist.

The CHAIRMAN. The time of the gentleman from New York [Mr. GWINN] has expired.

Mr. WOLCOTT. I yield the gentleman one additional minute.

Mr. GWINN of New York. Nobody wants to confess to socialism, and we dissolve what we are doing as socialism by saying, "Look at the company we keep. Look at the others who are supporting this project. You cannot call them Socialists."

Let me read to you what socialism is. We have not stopped to define it. Here is the Socialist platform itself of 1948:

Basic Socialist demands. The basic industries—and building is one of the five—public utilities, banking and credit; credit is almost completely taken over—70 percent at least—and all the economic facilities needed for the satisfaction of the fundamental requirements of the people must be socially owned and democratically managed.

Gentlemen, are we going Socialist? Are we deeply into socialism now? Shall we return to liberalism?

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

(Mr. WOLVERTON asked and was given permission to extend his remarks.)

Mr. WOLVERTON. Mr. Chairman and Members of the House, the bill to establish a national housing objective, now under consideration, is one of the most important measures to come before this Congress. Tremendous influences, both for and against, have been at work. I think every argument that could be made, either for or against the bill, has been made. This fact together with the knowledge that many of these arguments by proponents and opponents have real



merit creates a situation of more or less confusion as to what is the right course to pursue.

I have examined all of these views with great care and sincerity. I am convinced that notwithstanding the admirable job that has been done in providing housing units by private industry the fact, nevertheless, remains that there is a great segment of our people who have not been adequately taken care of. The housing and apartment building that has taken place has gone a long way in providing living quarters for those above what is termed the low-income group. But the houses and apartment dwellings that have been built either sell or rent at a figure that is far beyond the ability of the low-income group to pay. Private industry cannot be expected to build except upon a basis that will provide a profit in addition to the cost of production. That is the very basis of private enterprise. Consequently, attention must be given to some other means of meeting the situation than now exists. That is what this bill and some of the substitutes offered seek to do.

The problem that confronts us includes also what is termed slum clearance. Slum areas exist in all of our cities, and, in some districts that are not even cities. Their presence is a disgrace to our American civilization. I have seen sights and conditions in such areas that cause me to hang my head in shame as a citizen of this great Nation. I would not have believed that such conditions existed had I not seen them with my own eyes. I do not believe that our citizens, in any considerable number, know of these conditions. If they did they would rise up and demand in no uncertain terms their elimination. These places are the breeding places of crime and disease. The children in these areas, future citizens of America, are entitled to better living conditions. We pride ourselves as the greatest, richest and most powerful Nation in all the world. We give aid and assistance to the needy nations of the world, and, then, permit conditions such as I have described to exist. Whatever may be our obligations throughout the world we cannot, and should not, longer overlook the obligation we have to provide housing conditions that will enable our children to be brought up in a manner that will inspire and encourage that type of citizenship that will give strength to our national character.

This matter of housing should not be considered on the basis of partisan politics. Both the Republican and Democratic Parties, and all other parties as well, committed themselves in the last presidential campaign by their respective platforms to a housing program. As a member of the Republican Party I am proud of the stand that was taken by my own party in this respect. It set forth its commitment to this policy in the following language:

Housing can best be supplied and financed by private industry, but the Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum clearance and low rental housing programs only where there is a need that cannot be met

either by private industry or by the States and localities.

This is the very purpose of the bill now before us. However, I am of the opinion that in some respects it should and probably will be greatly improved before finally acted upon by the House. This can and should be done, however, in a manner that will not destroy the fundamental objectives.

There has been much loose talk about the bill being socialistic in character. I cannot agree with this contention. Too frequently the claim of socialistic has been sought to be attached to any and all legislation that is progressive in character. I remember when legislation was proposed in my own State, many years ago, for Workmen's Compensation in case of injury, that it was termed socialistic. Today it is recognized as one of the many established rights with no thought of socialism. Many other similar illustrations could be given.

Furthermore, probably the best answer to the claim that it is socialistic is knowledge of the many worth-while national organizations supporting the objectives of this proposed legislation. They are as follows:

American Association of Social Workers.

American Association of University Women.

American Council on Education.

American Council on Human Rights.

American Federation of Labor.

American Home Economics Association.

American Legion.

American Municipal Association.

AMVETS.

American Veterans Committee.

Congress of Industrial Organizations.

Council for Social Action of the Congregational Christian Churches of the United States of America.

Council for Christian Social Progress, Northern Baptist Convention.

Department of Christian social relations, women's division, Methodist Church.

Department of Christian social relations, United Council of Church Women.

Division of social education and action of the Presbyterian Church.

Family Service Association of America.

Federal Council of the Churches of Christ in America.

Jewish War Veterans.

League of Women Voters.

National Association for the Advancement of Colored People.

National Association of Consumers.

National Association of Housing Officials.

National Association of Jewish Center Workers.

National Association of Rural Housing.

National Conference of Catholic Charities.

National Council of Housing Association.

National Council of Jewish Women.

National Council of Negro Women.

National Farmers Union.

National Federation of Settlements.

National Institute of Municipal Law Officers.

National Lutheran Council.

National Housing Conference, formerly National Public Housing Conference.

National Women's Trade Union League.

National Association of Parents and Teachers.

United States Conference of Mayors.

Veterans of Foreign Wars.

National Urban League.

National Board of the Young Women's Christian Association.

Our Nation today is foremost among the nations of the world. To look back over the years is to be convinced that throughout our entire history there has been an ever continuing effort to promote the welfare of our people. The founders of our Nation did not consider it socialism or any other kind of "ism" than Americanism to promote the welfare of our people. It was to accomplish this and many other worth-while objectives that the Constitution was adopted. The purpose and intent of the framers of the Constitution was clearly set forth in the Preamble to the Constitution, reading as follows:

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

My support of a national housing program at this time is based upon the proven need in the different areas covered by the legislation and a desire to promote the general welfare of our people. It is my hope that the administration of the law will be of the character that will give the results that the Congress intends.

Mr. WOLCOTT. Mr. Chairman, I understand there is only one more speaker on the majority side.

Mr. SPENCE. Yes; only one more speaker on this side.

Mr. WOLCOTT. Mr. Chairman, I yield myself the balance of the time on this side.

The CHAIRMAN. The gentleman is recognized for 22 minutes.

Mr. WOLCOTT. Mr. Chairman, I feel very keenly my own intellectual limitations in the presentation of this probably the most important issue which will confront the Congress at this session, but I hope I shall be given credit for being sincere and perhaps make up in my sincerity what I lack in ability to express myself.

Back in 1937 we had a bill of this character before us, at a time when the national debt was something under \$30,000,000,000; at a time when we were doing everything we could to make employment and to bring us out of the economic doldrums; at a time when I do not think the majority of us would recognize socialism if we saw it. Being somewhat younger and somewhat more mentally agile than I am now, I made what I consider now a very brilliant and perhaps sentimental speech in respect to slum clearance. I think I convinced myself if I had not been convinced before, of the desirability of clearing slums, and in that respect I have not changed my attitude since. I believe there is not a Mem-



ber of this House who does not want to see slums cleared, but we have got to be realistic about this bill. We thought that in the 1937 act we were making provision for the elimination of slums; and as the gentleman from New York [Mr. GWINN] has stated, we provided in that bill a mandate that slums should be cleared. Otherwise, none of the moneys made available could be used—unless the contract provided that there be a comparable demolition of slum units. Then came 1939; and I wish those who have quoted the remarks I made on this floor and elsewhere in 1937 would quote as sincerely and as fairly what I said in respect to it in 1939 when, because of disillusionment, when because of a realization that the administrators of USHA had not been intellectually honest with the Congress in the administration of the law; when, as a matter of fact, those on my right who are here today who voted the same as I did in 1937 condemning USHA in much better fashion than I could do it refused to consider its extension. And I want to call attention to the fact that there are 39 Democrats here today still in the House who voted against USHA in 1939. Now, if there is any question about my consistency, I want to know if those same 39 are going to vote consistently with the way they voted in 1939. They voted against it because in practice it was found to be unsound; that it did not clear the slums; and a majority of 32 on this floor after an hour's debate killed the rule in 1939; did not even discuss it here on the floor. It was so obnoxious, so un-American, so dishonest that a majority of this House voted against the extension of the bill. I take pride in the fact that headlines in the papers that circulated in my district at that time gave me more credit than I deserved in saving the country \$2,700,000,000. That bill never saw the light of day again. All during 7 years—and although those on my right had big majorities in this House, it was not renewed.

Let us find out just about where we stand. The \$2,700,000,000 which we saved in 1939 by repudiating this method of claiming to clear slums is a small fraction, relatively inconsequential, in comparison with the amounts involved in this bill.

Before I get into that, let me point out, as did the gentleman from New York, the provision that there shall be a comparable demolition of slums as provided in the USHA Act. You will find this on page 66 of the report. It is stricken from this bill. So there is no provision that sums shall be cleared. As a matter of fact, if you will refer to page 13 of the bill now before us you will find that in the making of these contracts no consideration shall be given to the demolition of slums until 1951. All contracts made before 1951 must under the mandate of the law not provide for any slum clearance. And there is no provision in the bill compelling the demolition of any slums after 1951. Therefore, let us not call this a slum-clearance bill.

You will notice this bill differs from the 1937 act in that it is called slum clearance and urban redevelopment. Bear in mind that from this moment until

1951 no slums can be cleared and after 1951 there is no mandate in the law which provides for the clearance of any slums. I defy anyone to seriously, conscientiously, honestly call this a slum clearance bill.

Mr. Chairman, this is a bill to socialize one very important segment of our economy. The same forces which have belabored me for being solicitous as I hope I am in behalf of the American system have taken issue with me when I refer to this as a socialistic bill. I am merely reflecting what the Socialists themselves say about this bill when I say it is socialistic. Last year we had before our committee the Socialist mayor of Milwaukee, a very estimable gentleman, honest in his convictions, who told the committee at that time that he was for the bill because it was in keeping with his concept of socialism. So when I say this bill is socialistic, I am merely reiterating what the Socialists themselves have to say about it.

I have been sworn to protect and defend the Constitution of the United States, which according to my standards indicates the American system of government. This bill as it is written may cost \$19,312,500,000. If certain amendments are adopted, which they say are going to be offered to cut it down to 810,000 units, the cost will be reduced to about \$16,000,000,000.

For the first year under the bill as it is written we pledge ourselves to raise \$666,000,000; 20 percent less if the amendments are adopted; but it does not make any difference whether this bill provides 100,000 units, 800,000 units, or 20,000,000 units, it is policy that we should consider here today.

What is the policy in respect to this bill? The proponents of it do not care whether it is a thousand units or 2,000,000 units. You legislate, as we do here effectively for the first time, as a matter of policy that it is the obligation of the Federal Government to provide low-rent housing, including slum clearance, and for the first time effectively you will have created a new obligation on the part of the Federal Government.

So, once the declaration of policy has been legislated upon, the proponents of this legislation will see to it that you or your successors will expand this program sufficiently to take care of everyone who might come within the lower 20-percent bracket, which would mean the expansion of this program more than seven times what this bill provides for. If you multiply the \$16,000,000,000 on the basis of a million low-rent-housing units by the number of times that they claim is necessary to take care of all within that bracket, you get up to the astronomical figure of \$112,000,000,000 in possible commitments. Their policy is expressed.

I think we all recognize that the CIO has been about as active as anyone in behalf of this legislation, so let me read to you what Mr. Edelman, representing the CIO before the Committee on Banking and Currency, on April 27, 1949, said:

Although we are strongly of the opinion that the number of units of public housing called for in this bill should be increased substantially \* \* \* we are prepared to

endorse the attenuated proposal so as to demonstrate that CIO can be as modest and conservative as the next man. Seriously, however, our belief is that once this program is well under way it will develop sufficient political momentum of its own so that the Congress will automatically in the future increase and extend this authorization to whatever extent may be necessary.

I want to bring out one other point. I think if you will bring yourselves up to date on the finances of the Federal Government you will find that this bill cuts the pattern for an imminent approach to socialism. Let me follow that by saying that this country is within 7 percent of socialism today. I mean by that that no capitalistic system ever prevailed after more than 35 percent of the income of the people was taken for the maintenance of the Government. Almost 33 percent of the income of the American people today is being taken for the maintenance of Federal, State, county, and municipal Governments. There has been passed by this House and by the Senate, and there is pending in this Congress, legislation which has been reported out of committee which will bring that up to over the 35-percent point. Assuming that we are somewhat stronger than the other countries which have gone to totalitarianism, gone to statism, gone to socialism when they have reached 35 percent, assuming we can go up to 40 percent, Mr. Chairman, we are within 7 percent of socialism in this country, and I do not mean the socialization of any segment of our economy such as housing, medicine, agriculture, or industry.

I mean that when we approach 40 percent, or when we will have taken perhaps 38 percent of the income of the American people to maintain our Government, then this Government will collapse as we have known it, the American system will be all through, and you will go completely socialistic.

The course to me is clear. I am going to protect the American system even if it means political suicide for me. I hope that you who are just as zealous as I that the American system be preserved and will show enough courage to save America.

If you feel that you are going to commit political suicide, before you jump decide that you have one more thing to do. Let us get back down and do the one job that is before us today. We can commit political suicide or physical suicide any time. If we have the courage to do that, we have the courage to get back down and do the job that has to be done today, that is, to save America. Let us put our shoulder to the wheel, let us stop demagoging, let us get off the sentimental level, let us be realistic, let us be patriotic citizens and save the American system.

(Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BARRETT of Pennsylvania. Mr. Chairman, my visit on Wednesday with a bipartisan congressional group to the slum areas of New York and Philadelphia did not reveal much that was not already known to me. I have been completely aware of the long past need for redevelopment of blighted areas in my own



city. However, I returned from this "refresher" tour more firm in my determination than ever not to compromise on the proposed program for Federal aid to housing. Already there are persons who are ready to postpone action on this urgently needed legislation by making offers of alternative legislation or emasculatory and damaging amendments. We must not permit ourselves to be deceived and detained by such subterfuges and tactics.

Is it not ironical that in the United States of America—the most prosperous Nation of the world, and in our most prosperous era—more than 5,000,000 low-income families are crowded into city slums or other substandard housing? South Philadelphia contains areas which are indicative of the unhealthy, inhuman manner in which millions of other Americans are forced to live. Prices and rents of decent housing, new and old, are just too far beyond the financial reach of these families.

As virtually no progress has been made in the clearance and redevelopment of slums, and millions are still living doubled up and under disgraceful conditions, immediate remedial action must get under way. The mere establishment of local codes for minimum standards of health, safety, and sanitation is not sufficient to alleviate these conditions. As private enterprise has made no mentionable contribution toward offering decent, low-cost housing, we are left with no alternative but to authorize Federal financial assistance to communities to start on a slum-clearance program. In my own district—South Philadelphia—such a program would relieve the many technical, social, and economic problems confronting the families resident there. The inhabitants of slum areas do not live there by choice but rather from economic necessity arising out of their ability to pay even the lowest rents at which decent housing is available. Many respectable citizens of superior intellect and higher social acceptability are compelled to live and raise their children midst the minorities who are less ambitious and have less respect for law and order. I do not believe that crime waves and juvenile delinquency would be completely annihilated by clearance of the slum areas, but there is no doubt that they would be greatly curtailed.

There is also the factor of those persons who have exceeded the income limitation in existing public-housing projects, such as the Tasker homes in Philadelphia, who are requested to vacate and would gladly do so except for the fact that they have no other place to go because of inadequate housing facilities.

The appalling sights witnessed by our group did not spring up since the beginning of the Eighty-first Congress. These conditions have prevailed for many years without any serious effort on the part of private enterprise to rectify them. The recent international conflict was the only legitimate excuse for not having launched an all-out, determined, and unceasing campaign to improve the standard of living of the millions of Americans living under disgracefully miserable, and mentally, morally, and physically unhealthy, conditions.

H. R. 4009 is a comprehensive plan for essential Federal assistance which will provide decent homes and satisfactory home environments for the American people as a whole. I wholeheartedly recommend its immediate enactment.

(Mr. GRANAHAH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GRANAHAH. Mr. Chairman, any doubts as to the wisdom and benefits of public housing held by any Member of this House would have been quickly dispelled if he had accompanied the group of us who made a survey of congested sections of Philadelphia and New York on Wednesday of this week.

We saw the slums of these great metropolitan centers in all their grime and filth and unspeakable squalor. And we saw the contrasting cleanliness of conditions in former slum areas which have been rehabilitated by housing projects.

But even more striking was the difference in the spirit, the outlook on life, of the men, women, and children living in those opposite types of areas.

No one who has acquainted himself with the facts, by personal investigation, could ever give the slightest consideration to the ridiculous propaganda that public housing deprives its tenants of their personal liberty.

The individuals fortunate enough to dwell in public housing projects in Philadelphia and New York after having lived in the slums are living a new life. They are proud of their homes, where before they were shameful. They are happy where before they were bitter. They are self-respecting where before they were miserable.

They hold their heads high because they are free—free of the menace of disease, delinquency, vice, and crime—free of the hazards of fire and other dangers bred under insanitary conditions.

So instead of becoming creatures of the State, as the housing lobby would have us believe, they become better citizens and better Americans, no longer prey to the wiles of communism which thrives under the very conditions that public housing eliminates.

The value of these improvements cannot be measured alone in dollars and cents, but must be computed also in terms of the human resources saved and the national security strengthened. But even if considered only on the monetary basis the calculation is all in favor of public housing.

The largest outlays by the Federal Government, in the form of loans, are to be repaid to the United States Treasury. And the expenditures by local governments themselves will be reimbursed many times over in savings on services now required to slum areas. It has been shown in official studies that slum areas pay only about 6 percent of municipal taxes, whereas they absorb about 40 percent of the cost of local government.

The reduction in the Nation's bill for crime, fire losses, juvenile delinquency and disease that will result from the program under this bill will be reflected in increased national income and, conse-

quently, in increased income tax revenue.

Private enterprise will benefit generally, not only by the increase in these standards, but also specifically from the large-scale construction.

And, finally, in spite of the lies so assiduously spread by the opposition, all of this will be accomplished under the direction of local housing authorities and local governments. A former Member of this House, now Mayor D'Alesandro, of Baltimore, has testified before our Committee on Banking and Currency on behalf of the United States Conference of Mayors that the municipal governments of the country are eager and anxious for the enactment of this bill.

So, Mr. Chairman, I hope all my colleagues will consider that in voting on this measure they are answerable to their people back home.

Mr. SPENCE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I send two letters to the desk and ask that the Clerk read them.

The Clerk read as follows:

THE AMERICAN LEGION,  
NATIONAL HEADQUARTERS,  
Indianapolis, Ind., June 20, 1949.

HON. BRENT SPENCE,  
Chairman, House Committee on Banking and Currency, House of Representatives, Washington, D. C.

DEAR CHAIRMAN SPENCE: I take this opportunity to reiterate the American Legion's firm support of H. R. 4009 and to convey our appreciation for the splendid fight you are making in behalf of this legislation.

It would be an irreparable tragedy if the organized, and to a great extent synthetic, campaign against the measure were to succeed now in distracting Members of the House from its essential soundness and purpose. The 1948 National Convention of the American Legion went on record in favor of legislation providing for a balanced and realistic program of Federal, State, and local aid for the provision of decent housing, including necessary community facilities, for families of low income, with a first preference among those eligible being given to veterans. In our judgment, the provisions of H. R. 4009 are an indispensable part of such a program.

In its present form the bill provides for a 5-year limit on occupancy preference extended veterans. In view of the continuing nature of the veterans' need in this instance, and of the time lag which would occur between enactment of the law and completion of housing units, the American Legion trusts that the legislation will be strengthened on the floor of the House by an amendment abolishing the preference deadline.

President Truman has properly exposed the motives and techniques of those attempting to kill the bill. Against the fiction of their claims is the fact that hundreds of thousands of American families, including many veterans, are enduring an ordeal from which they cannot escape without outside help. It is our hope that before voting on this measure, the Members of the House will weigh the relative merits of pressure put upon them by propaganda and the hardship exerted by inferior living accommodations upon thousands of American families.

Sincerely yours,

PERRY BROWN,  
National Commander.

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., June 17, 1949.

HON. BRENT SPENCE,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN SPENCE: I want to express to you my deep personal concern that



the housing bill (H. R. 4009) be enacted at the earliest possible moment. In line with its long-standing policy, the American Federation of Labor adopted a resolution at its sixty-seventh convention last November calling for an effective slum-clearance program and a million-unit public-housing program.

There are some who, though in sympathy with H. R. 4009, are concerned with our ability to finance this program. I believe their fears are entirely unfounded. As the attached table indicates, actual Federal appropriations authorized by this bill are relatively small. At the peak of the program in 1954, total Federal expenditure for slum clearance and low-rent public housing could conceivably reach a maximum of \$500,000,000. Even that is only about 1 percent of the present Federal budget.

Two serious misconceptions have caused some people to exaggerate the cost of the program. First, loans to localities for public housing and slum clearance are fully repayable and represent not 1 cent of actual Federal expenditure. Second, individuals have distorted the cost by avoiding the customary discussion of the year-to-year expenditures authorized by the bill, and calculating instead an altogether artificial total cost by multiplying the maximum possible expenditure for any one year by the total period of the public-housing authorization.

We confidently expect that the amount of funds expended for this program will pay for itself many times over by improved health conditions, reduced juvenile delinquency and crime, and lowered fire costs. On behalf of the 8,000,000 members of the American Federation of Labor, I respectfully urge you to vote for H. R. 4009 without amendment.

Sincerely yours,

WM. GREEN,

President, American Federation of Labor.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. SPENCE. I yield to the gentleman for a unanimous-consent request.

Mr. SMITH of Wisconsin. Mr. Chairman, as a member of the American Legion since 1919, I repudiate the statement made by Commander Brown, and I think he is talking through his hat.

Mr. SPENCE. Mr. Chairman, we have heard the prophets of evil and the predictors of disaster. The policy of the opponents of this bill seems to be that if they cannot persuade you, they will try to scare you. I wonder if they ever heard of the melancholy faith of Cassandra, who prophesied the fall of Troy and perished when Troy fell.

They are afraid of socialism. Whenever we attempt to do anything for the plain people, there is always a cry of socialism. I yield to no man in my admiration for our form of government, and in veneration of our Constitution. I yield to no man in my dislike of socialism. But if that cry is going to scare us, we are going to make no progress. The great founder of the Democratic Party, the profoundest of political philosophers, Thomas Jefferson, said:

We hold these truths to be self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights. . . . Among these are life, liberty, and the pursuit of happiness. To secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

Thomas Jefferson is reputed to have written the Bill of Rights. Although not

a member of the convention, Thomas Jefferson exerted great influence. Yet Thomas Jefferson said that one of the fundamental principles of our Government, and among the rights we had that it had to protect was that of the pursuit of happiness. He did not make any strict construction of the Constitution. He did not make it a strait-jacket. He was for the rights of the common man. How can a man pursue his happiness better than in seeking a home? It is as natural an instinct for one to want a home as it is to want life itself. We are trying to give American people homes. You may call it a rental home, but a man who rents his home has the same rights as the man who owns it. We could say of the rented home, "It may be frail, its roof may shake, the wind may blow through it, the storms may enter, the rain may enter, but the king cannot enter."

We are trying to preserve homes for these men who have no homes. Is that socialism? That is but a Christian act, a decent act of government. It has no element of socialism in it. The only thing that might bring socialism is the depression and unhappiness of our people. I saw socialism or some other form of government staring us in the face in 1932, when men were walking the streets, without employment and nothing to live on and were desperate. That is what brings about socialism. Happy people never complain of their government and are always willing to support it. It is discontent that brings change. The things that we do to make people happy do not bring any other form of government. I am tired of listening to this kind of stuff. It is the cry of socialism. It is the cry of the reactionary. It is the cry of him who has wealth and wishes to contribute nothing to the welfare of his people. That is where these protests are coming from.

Now, what does this bill do? We provided for 1,050,000 housing units. At the proper time I shall offer an amendment to reduce it to 810,000 units. Does that mean 810,000 families? No, because it is the epic of American life that a man who is poverty stricken today may have wealth tomorrow. Opportunity, the master of human destiny, knocks at the door of every man who will open it. Opportunity will knock at the doors of these men which may take them from a condition where they have no home, and give them a home and give them confidence and self-respect. They will see their families in better condition and their children better clothed and happier. It will give them hope. It will give ambition to those people. It will raise their wages, because they will be better able to discharge their duties. Those people, when their breadwinner's salary is increased, will leave these homes and others will come in. It is a revolving number of families who will go in and out of these homes. It is a clearinghouse for the lower-income families of America. Its influence will be felt throughout the length and breadth of the land. I will receive no benefit from it. I have no slums in my district. I do not expect any low-rent housing, but I have never

intended to legislate on the narrow principle that I shall only legislate for the benefit of those in my district. I know that the city people have come to the defense of agriculture at every opportunity. I remember but the other day, when we had the Commodity Credit Corporation conference report under consideration, I asked the Speaker to hold up the report until Tuesday because many of the city Members could not return on Monday.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. Is it not a fact that the gentleman will offer other amendments?

Mr. SPENCE. Yes. I intend to offer an amendment to continue title I, and section 608 of title VI, of the National Housing Act for 60 days, in order that we may give ample consideration to the extension of these provisions. If it is advisable to make them permanent, we may consider that. We will continue them for 60 days in order that further consideration may be given to those two sections.

We will also offer an amendment to authorize a half-billion-dollar increase in the insurance of title II. I understand that the authorized insurance under title II will expire this month. In order to continue effectively title II it is necessary that this increase in authorized insurance be granted, and I hope the Committee will agree to this amendment.

There is a salvage feature in this low-rent housing which has not been stressed. The Government makes its contributions to provide for noneconomic rent, and out of those contributions come the interest and the amortization on the principal of the indebtedness. At the end of the period of amortization the projects will belong to the local housing authority, free, clear, and unencumbered. There will be a salvage that cannot be estimated. It probably will not be necessary to subsidize the housing projects thereafter. At that time these projects may be worth more than they are at the present time. Houses, properly built and properly maintained, are almost indestructible. There are houses in Georgetown over a hundred years old now occupied by people of prominence, and they are excellent houses. If maintained, these projects at the end of 40 years will probably be in as good condition as they will be when built. That is the salvage that comes out of this bill. That has not been stressed, but it is well worth considering.

Those opposed to this bill say that we ought to destroy an equal number of units in the slums wherever a resettlement project is provided. How are you going to destroy slums? There are two ways to acquire a slum for destruction. One is by voluntary purchase, which requires submission to the price which the owner sets; the only other way is by condemnation proceedings, for no man's property can be taken from him without due process of law. Those are the only two ways slums can be cleared. How



are you going to obtain slum areas immediately through condemnation proceedings? The condemnation process is a slow process. I know in my own State you have to bring a suit in the county court. It is appealed to the circuit court and tried de novo; an appeal may be then taken to the court of appeals. There may not be a final decision for a year, and if there is a constitutional question involved, it may be reviewed by the United States Supreme Court by certiorari. How long do you think it would take? How long do you think a mandatory provision of that kind would slow up this program? I do not think it is practical to do that. If you want expeditious prosecution of the projects we have provided for in this bill I do not think that should be insisted upon. No man would say that he is in favor of a continuation of the slums who would consider the awful effect they have on the children residing in them. They are the future citizens of America. I do not know how far the Federal Government should go in carrying out its moral duties, but it seems to me that a Christian Government founded upon the principles of morality and Christianity, as George Washington said in his Farewell Address, should certainly consider the welfare of these boys and girls who cannot protect themselves.

It is harsh and cruel to say that when you do something for them you are getting away from democracy, you are getting away from our form of government and embracing socialism. I would not want to compliment socialism in that manner. The most unjustifiable thing we can maintain are the slums of our cities.

How are you going to get rid of the slums except by Federal contribution? There is no way in the world to do it. There is no way in the world to have low-rent housing except by the contributions provided in this bill. The builders of America are not engaged in charitable activities. The builders of America are looking for profit. They are going into those fields where there is the greatest profit. They would rather build industrial enterprises, where the profits are greatest, or high-class residences, and, last of all, these low-class houses, where the investment is not great and the profits are small. I do not know why they are opposed to this bill. Do you think the builders of America want to clean up the slums? It is a dog-in-the-manger attitude. They would not invade this field in a thousand years if you gave them every opportunity to do it. Yet they come here and say this is a socialistic activity and this is depriving them of their ordinary functions and their ordinary business opportunities. It is nothing of the kind. They would not go into this business, you could not drive them into it, and there is no profit in it.

It is said that we should put the slum-clearance matter back on the cities. But the cities cannot do it. I have represented three or four cities in my time. I know the limitations of the cities. They are the creatures of the State. They are organized by the State, their charters are granted by the State, and they are limited in their activities under the State

constitution. For instance, in the State of Kentucky a municipality is limited in its tax rate, it is limited in its indebtedness, it is limited in its expenditures. In every other State in the Union I think you will find similar provisions. If we put this back on the cities we will have no slum clearance.

Let us look this matter in the face. You have either got to proceed in the way provided by the bill or you have got to let the slums continue, you have got to let men who have no houses remain without homes or with their in-laws and their relatives.

From whence came these conditions we have to meet? They came from the war. I presume when we exercised the power of government over our people during the war that was called socialism by those that denounced this bill for that reason; but we saved ourselves and the world. It was something over which we had no control. I voted for every dollar that our Government asked for at that time. This is the result of 12,000,000 men who were away and who have come back home. Their relationships to life are different. They wanted to establish new homes. They had served their country. They had preserved our liberties.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. Would the gentleman tell us in dollar terms what is meant by low-income families in this low-rent public housing title and also as to the gentleman's understanding with reference to the proposed policy of the Administrator should we pass this bill?

Mr. SPENCE. I have no authority to make any statement. As the gentleman knows, those questions are decided by the local housing authority. I should say that a family who has an income of over \$2,000 would not be eligible. Those below that would be. I realize there is a different standard for various sections of the country, but I should think that would be a fair over-all estimate. Those that have over that ought not to get the benefit. I think this ought to be a low-rent housing program.

We are trying to put these men back in homes; men who saved our liberties and saved our form of government for the world and yet we are told that that is socialism. That is a compliment to socialism that I do not share in. That is true democracy, I think. Everytime anything like this is done we hear that cry, but we did not hear it after the banking holiday when we bailed out every bank in America. We did not hear it when the Republicans organized the Reconstruction Finance Corporation and said they could only lend to banks and insurance companies and railroads. The Reconstruction Finance Corporation bailed them out with billions and billions of dollars. We never hear of the cry of socialism until we try to do something for the common man, and he is nonvocal. He does not have his representative here, and if we do not speak for him his voice is not heard in this Chamber.

I am not condemning the man that comes here to protect his interest. I am

not condemning him if he will come in here and state the truth. He has a right to do that, but, nobody has a right to come here and misrepresent the facts and nobody has the right to come here and attempt to mislead the Members of Congress, and I think my colleagues have higher character and are made of tougher fiber than to be misled by any such arguments, and I feel confident that these arguments are going to have no effect upon you. You have heard today that the American Federation of Labor is for this bill. Every labor organization is for it. The American Legion is for it, the Veterans of Foreign Wars is for it, and all the other veterans organizations are for it. All the organizations that represent the plain people are for it, and the only organizations that do not want it are the organizations for special privilege. There is the choice.

Now, do not be frightened about socialism when you are doing something for the plain people, when you are making the average citizen happy. When you make the average citizen more content with his government, you will strengthen the very fiber of our Nation, and when you are doing something that will make him unhappy with his Government, you are thereby weakening the strength of the United States. Today we are doing something for we the people. It was not the delegates that adopted the Constitution. It was we the people. They delegated that power. They are the source of all power. They can change this Government if they want to. I hope they never will, because I have always thought that a divine providence guided our founders and has watched over us and have led us to the present time. But, the people are the reservoirs of all authority and power; we are their servants and in passing this bill we are doing something for them. I do not believe any lobbyist organization or any hysterical cry is going to have any great effect on the vote in the House. I am confident that this House will pass this bill by a good majority and the experience of time will approve its wisdom.

(Mr. ALLEN of Illinois asked and was given permission to extend his remarks at this point in the Record.)

Mr. ALLEN of Illinois. Mr. Chairman, for some time the loosely thrown around phrase, Federal aid, has been constantly on my mind. If there has ever been an expression used more erroneously, one that gives a more false impression, I do not know of it.

Mr. Chairman, in the true sense, it is impossible for the Government to give Federal aid, because we must never forget that any government cannot give anybody anything unless it takes it from them.

Would anyone contend that if an individual gave another \$1,000 under certain conditions whereby he was going to receive considerable more in return that he was giving the first party something for nothing? Of course not—but that is the exact method used under the so-called Federal-aid program. Because before the Federal Government can give any individual, municipality, or



State anything, it necessarily must have received it, or will receive it from the same source in the future.

Mr. Chairman, this theory applies to the bill presently before us. The history of housing the past 16 years is deplorable. The various housing agencies under the administration of Henry Wallace, Harold Ickes, Rexford Tugwell, Harry Hopkins and Dr. Alexander has been regrettable. Billions of dollars have been taken from our taxpayers and wasted. I would ask in all fairness: How many Members can truthfully state that during the past 16 years your constituency have been benefited by these thirty-odd Federal housing agencies in comparison to the amount of taxes that has been taken from them to support said programs. Few, I would say. This bill, if enacted, will cost the taxpayers of each congressional district approximately \$40,000,000. How many of you honestly believe that your district will be benefited to that degree with the Government handling the administration in opposition to private industry?

Mr. Chairman, I am old-fashioned enough to still believe in private industry. I sincerely believe that private enterprise has done and is doing a splendid job. It hurts me to hear men high in governmental affairs condemn private industry. I listened with amazement to President Truman in his state of the Union message ridicule the steel industry without justification. You can recall that he stated the steel industry was not doing a good production job and he implied that the Government would go into the steel business. The steel industry spokesmen retaliated. They said there was plenty of steel on hand—in fact, there was a surplus. They were correct as best illustrated by the fact that at the present time steel production has been reduced over 10 percent and steel is easily obtainable.

Mr. Chairman, I am greatly disturbed over present business conditions. We are in the midst of a recession, and unless this Administration does not stop attacking private business we are headed for a depression—make no mistake about that. Let us get down to earth.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Housing Act of 1949."*

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Strike out all after the enacting clause and insert in lieu thereof the following: "That this act may be cited as the 'Slum Clearance and Housing Assistance Act of 1949.'"

"TITLE I—ASSISTANCE TO STATES FOR THE ACQUISITION AND REDEVELOPMENT OF SLUM LAND

"SEC. 1. In order to assist any State to clear slum and blighted areas and to assist in protecting the public health, public morals, and the general welfare, the Federal Works Agency is authorized to make grants and loans as provided in this act.

"SEC. 2. Any State is authorized to apply to the Federal Works Agency for grants and loans for the clearance of slum or blighted areas and said Agency is authorized to make such grants and loans as herein provided. Such loans and grants are to be used by the State to acquire title to slum and blighted land by purchase or process of condemnation and to clear such acquired land for redevelopment insofar as possible for private taxpaying ownership according to the highest and best use of the land whether for commercial or industrial uses, housing, including apartments or single-family homes, parks, playgrounds, or appropriate public uses, as determined by a redevelopment plan for the area. The land when cleared shall be sold or transferred to an individual, partnership, cooperative, corporation, or other legal entity or public body agreeing to develop the land to its highest and best use in accordance with the redevelopment plan. The land cleared for redevelopment shall be offered for sale free of tax or assessment liens or other incumbrances at a fair and reasonable price with due regard for the new use of the land. Sale of the land shall be handled in such a manner that the public interest will be protected. The State may use any of its corporate or other instrumentalities for the accomplishment of its said objectives.

"SEC. 3. An applicant shall include in its application a description of the area which has been determined to be a slum or blighted area by an authority recognized by the State, together with a plan for the redevelopment of such area to its highest and best use whether public or private use in a manner consistent with any existing city plan or other plans for the use of land in such area and approved by such authority. Said redevelopment plan shall include a plan for roads and other public ways, public utilities, and a designated use under a zoning law or other land-use regulation or restriction for each tract of land in such redevelopment area. Such application shall include an estimate of the cost of the land to be acquired and an estimate of all clearance costs and an estimate of the value of land as cleared under the use provided in the redevelopment plan. Said application and redevelopment plan shall provide for the conveyance of such lands with reasonable restrictions or conditions to assure the redevelopment of the same as contemplated in such application and plans. The State shall show ability to pay in cash at a reasonable time one-half of the difference between the estimated acquisition and clearance cost and the estimated value of the land as cleared. The Federal Works Agency is authorized to make any investigations it deems to be appropriate to determine the wisdom of the proposed clearance of such slum or blighted area and the reasonableness of the proposed use of such land. The application, estimates, and redevelopment plan may be amended from time to time.

"SEC. 4. (a) The Federal Works Agency is authorized to grant an applicant a sum not in excess of one-half of the difference between the estimated total acquisition and clearance cost and the estimated sale or new-use value. Such grants shall be payable in a manner to assure that such funds are applied by the applicant to the purchase price and clearance cost of land in slum-clearance area.

"(b) The Federal Works Agency is authorized to advance to an applicant an amount equal to the estimated value of the land when cleared upon the condition that the entire proceeds of the sale of the land purchased, whether more or less than such advance, shall be paid to the Federal Works Agency in extinguishment of such advance and such amount shall be covered into the Treasury as miscellaneous receipts.

"SEC. 5. No grants or loans as provided for in this title shall be made (1) until the applicant has shown the Federal Works Agency that it is able to provide cash equal to one-half of the difference between the estimated total acquisition and clearance cost and the estimated sale or new-use value; (2) until the applicant has committed itself in a manner satisfactory to the Federal Works Agency in the application and plans submitted by the applicant or otherwise for the prompt clearance of such slum or blighted area and also for the prompt sale of the same upon an equitable basis, without discrimination and for the full new-use value of such lands and for the refund to the Federal Works Agency of the proceeds of such sale; and (3) unless it is shown that the State or the city or county in which said slum or blighted area is to be cleared has passed and is enforcing a law or ordinance prohibiting the renting or occupancy of residential property which is dangerous to health or unfit for occupancy by reason of its physical or sanitary condition.

"SEC. 6. Families dispossessed by reason of the acquisition and clearance of land pursuant to this act who are not able to obtain other suitable housing accommodations within their income shall be given immediate accommodations in any low-rent housing project receiving Federal subsidies under the United States Housing Act of 1937, as amended, or otherwise or such dispossessed families shall be provided rental assistance for a reasonable period by the applicant as a condition for the receipt of grants and loans.

"SEC. 7. No land the acquisition of which is assisted under this title shall be acquired by the applicant agency except after open public hearing following notice of the date, time, place, and purpose of such hearing published at least three times, not less than 10 nor more than 20 days prior to the date of such hearing, in at least one English-language newspaper published in the municipality or municipalities within which any land proposed to be acquired is located, nor shall any land the acquisition of which is assisted under this title, be sold or otherwise disposed of except following similar open public hearing held following publication of the date, time, place and purpose thereof as above provided.

"SEC. 8. There is hereby authorized to be appropriated to the Federal Works Agency (1) the sum of \$350,000,000 for loans and grants under this title and (2) such sums as may be necessary for administrative expenses to carry out the purposes of this title. Not more than 20 percent of the funds herein provided shall be expended in any one year and not more than 10 percent of the total provided herein shall be allocated and expended in any one State. No commitments or grants shall be made obligating the United States Government to make disbursements or to continue this program after June 30, 1954. Funds received in repayment of or as interest upon loans made pursuant to this title shall be covered into the Treasury as miscellaneous receipts.

#### "TITLE II—HOUSING FOR FAMILIES OF LOW INCOME

"SEC. 201. (a) In order to stimulate within the shortest possible time maximum production of housing for low-income families, the Internal Revenue Code is amended by inserting after section 124 thereof the following new section:

"SEC. 124A. Amortization deductions for rental housing for persons of low income, and for which real estate tax exemptions are locally provided.

"(a) Issuance of certificate: The amortization deduction hereinafter provided shall



be allowable only (1) with respect to a facility which by contract with the local legislative body of the municipality in which it is, or is to be, located has received exemption, for a period of at least 10 years, from local and municipal taxes (other than assessments for local improvements) as to such part of the value of the property included in such facility which represents an increase over the assessed valuation of the real property, both land and improvements, acquired for the facility at the time of its acquisition by the taxpayer, and (2) to the taxpayer to whom a certificate that the dwelling units specified therein constitute a necessary rental housing facility is issued by the Federal Housing Commissioner. Such certificate shall find that said dwelling units are or will be of such character and will be rented at such rentals as in the judgment of said Commissioner are within the means of persons of low income who are unable to afford to buy or rent decent, safe, and sanitary housing then available. In order to assure that the facility shall be kept available for families of low income the taxpayer shall agree, as a condition to the issuance to him of such certificate, that no family shall be admitted to occupancy in any such facility unless such family shall be certified, by the local governmental agency administering public assistance or welfare in the locality, to be either receiving or entitled to receive public rent assistance or of such low income as to be unable to pay rentals then required for the economic occupancy of decent, safe, and sanitary housing in the locality. The Federal Housing Commissioner is authorized to revoke such certificate upon any violation of the conditions and specifications contained therein. Application for such certificate shall be filed with the Federal Housing Commissioner prior to the commencement of construction, alteration, or remodeling of the rental housing facility and such certificate shall be issued only to the person filing such application. The Federal Housing Commissioner is hereby authorized from time to time to prescribe forms and regulations with respect to such certificates.

"(b) General rule: Every taxpayer, at his election, shall be entitled to an amortization deduction for a period of 120 months with respect to any necessary rental housing facility defined in this section, for which facility a certificate issued by the Federal Housing Commissioner in accordance with this section shall then be in effect. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis (for determining gain) of the facility at the end of such month divided by 120 plus the number of months (including the month for which the deduction is computed) remaining in the 120-month period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the deduction with respect to such facility for such month provided by section 23 (1) (relating to exhaustion, wear and tear, and obsolescence), but shall be allowable only if a deduction under section 23 (1) would otherwise be allowable for such month with respect to such facility. If such certificate is revoked by the Federal Housing Commissioner for any violation of the conditions and specifications contained therein, the deduction shall not be allowable for any month ending after a violation upon which such revocation is based. The 120-month period shall begin as to any such facility at the election of the taxpayer, with the month following the month in which the facility was completed, or with the succeeding taxable year.

"(c) Election of amortization: The election of the taxpayer to take the amortization deductions and to begin the 120-month

period with the month following the month in which the facility was completed shall be made only by a statement to that effect in the return for the taxable year in which the facility was completed. The election to take the amortization deduction and to begin such period with the taxable year succeeding such year shall be made only by a statement to that effect in the return for such succeeding taxable year.

"(d) Definitions: As used in this section—

"(1) The term "necessary rental housing facility" means any rental housing facility with respect to which a certificate under this section is issued to the taxpayer.

"(2) The term "rental housing facility" means—

"(A) Any dwelling unit or units held by the taxpayer for rental purposes, the construction of which is begun at any time on or after July 1, 1949.

"(B) Any dwelling unit or units held by the taxpayer for rental purposes provided by the alteration or remodeling of an existing structure if such alteration or remodeling is begun at any time on or after July 1, 1949, and if such dwelling unit or units are in addition to the number of dwelling units contained in such structure prior to such alteration or remodeling.

"(3) The term "dwelling unit" means any dwelling unit containing its own kitchen and bath facilities.

"(4) The adjusted basis of any necessary rental housing facility shall include only so much of the amount otherwise constituting such adjusted basis as is properly attributable to the construction, or to the alteration or remodeling, covered in the certificate issued under this section. In no event shall the basis of the land on which such facility is located be included in such adjusted basis.

"(e) Life tenant and remainderman: In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant."

"Section 23 (t) of the Internal Revenue Code is amended to read as follows:

"(t) Amortization deduction: The deduction for amortization provided in sections 124 and 124A."

"(c) Section 172 of the Internal Revenue Code is amended by striking out 'of emergency facilities'.

"(d) Section 190 of the Internal Revenue Code is amended by inserting after 'emergency facilities' the following: 'or necessary rental housing facilities'.

"(e) The amendments made by this section shall be applicable to taxable years beginning after December 31, 1948.

"Sec. 202. (a) A certificate issued under the provisions of this title shall require that the taxpayer agree to give preference in occupancy as among families otherwise eligible to families of veterans and servicemen (including families of deceased veterans and servicemen).

"(b) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

#### "TITLE III—VETERANS' HOMESTEAD ASSOCIATIONS

"Sec. 301. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by inserting immediately after section 510 thereof the following new sections:

#### "VETERANS' HOMESTEAD ASSOCIATIONS

"SEC. 511. (a) In enacting this section to alleviate the existing housing shortage, it is the intent of the Congress to provide means

of ownership and financing, within the framework of our private-enterprise system and without vast expenditures of public moneys, whereby veterans themselves, associated together within their own communities, can build, buy, or rent homes upon terms which veterans can afford; and to provide the public facilities essential to such homes without the imposition of additional financial burdens upon veterans who may be owners thereof or tenants therein.

#### "DEFINITIONS

"(b) As used in this section, except where the context otherwise requires, the term—

"(1) "Association" means a veterans' homestead association chartered pursuant to this act.

"(2) "Housing" means permanent type of housing; does not include transient housing such as tourist cabins, motor courts, or apartment hotels; but may include multi-family dwellings or single-family dwellings, whether located on contiguous or scattered sites.

"(3) "Improve" as applied to real property shall include (a) grading, landscaping, and any other site development; and (b) construction, repair, remodeling, or demolition (whether for salvage or reuse) of buildings and other structures thereon.

"(4) "Real property" means lands, whether or not improved, and any buildings or other structures thereon, including fixtures and personalty attached thereto.

"(5) "Public facilities" includes public highways and parks, roads, streets, curbs, gutters, and sidewalks, bus stations and bus stops, water storage, purification and distribution works, sewage, garbage and refuse collection, treatment and disposal facilities (including trunk and lateral sewers), fire stations, fire equipment and fire plugs, street-lighting facilities, schools, community centers, and recreational facilities.

"(6) "Veteran" means any person described under the provisions of subsection 500 (a) of this title.

#### "ORGANIZATION OF VETERANS' HOMESTEAD ASSOCIATIONS

"(c) The Administrator is hereby authorized, subject to the provisions of this section and under such rules and regulations as he may prescribe, to provide for the organization, incorporation, examination, operation, and regulations of associations to be known as "veterans homestead associations," and to issue charters therefor in such form as he may prescribe, and to consent to the amendment of any such charter: *Provided*, That a certified copy of all such charters shall be filed in each county where such association operates.

#### "QUALIFICATION FOR MEMBERSHIP

"(d) Five or more veterans of ability, good character, and responsibility as determined by the Administrator, may apply for a charter hereunder. Each association shall determine its own rules of eligibility for membership therein subject only to the conditions that (1) membership shall be limited to veterans; (2) no veteran shall become or remain a member unless and until his accumulated payments to the association, in accordance with subsection (j) shall equal or exceed \$100; and (3) no veteran shall become a member of an association until he has executed and filed with the Veterans' Administration an affidavit to the effect that he is not a Communist and does not belong to any subversive organization.

#### "PRIMARY PURPOSE OF ASSOCIATIONS

"(e) Each organization shall be organized and shall operate on a nonprofit basis. It shall have as its primary purposes, (1) to acquire and improve real property to provide housing to be sold to veterans for occupancy by themselves, personally, together with their families or dependents; (2) to acquire and improve and to operate and maintain real property to provide multiunit housing, in-



cluding such commercial and community facilities as may be reasonably necessary or desirable to facilitate the use thereof for residential purposes, to be rented to veterans for occupancy by themselves, personally, together with their families or dependents; and (3) to acquire and improve, and to operate and maintain real property to provide multiunit housing, including such commercial and community facilities as may be reasonably necessary or desirable to facilitate the use thereof for residential purposes, to be owned or held by the members of the association on a mutual or cooperative basis, to be occupied by themselves, personally, together with their families or dependents. To this end, and pursuant to rules and regulations issued by the Administrator, each association shall provide maximum opportunity and priority for the purchase or rental of such housing, first to members of such associations, and second, to nonmember veterans.

#### "NUMBER OF ASSOCIATIONS

"(f) The Administrator may, in his discretion, charter one or more associations in any locality; and he may, in his discretion, refuse to charter any proposed association upon his finding that the veterans in the locality in which it is proposed that such association would operate are or will be adequately served by an association or associations then already chartered for operation in such locality.

#### "POWER OF VETERANS HOMESTEAD ASSOCIATIONS

"(g) Under rules and regulations issued by the Administrator, each association shall have the following powers:

"(1) Subject to the provisions and limitations of this section, to purchase, or otherwise acquire, any real property or leasehold or other interest therein, whether improved or unimproved, to subdivide, construct improvements on, repair, modernize, renovate, maintain, and operate any such property, and to purchase, or otherwise acquire, any personal property necessary or desirable for any of the foregoing.

"(2) Subject to the provisions and limitations of this section, to hold, sell, or contract for the sale of, lease, rent, mortgage, or otherwise deal with, encumber, hypothecate, or dispose of any acquired property; all on such terms and conditions as may be deemed proper and consistent with other provisions of this act: *Provided, however*, That so long as any association is obligated to the Administrator on account of advances or loans made under subsection (m) hereof no association may pledge, mortgage, or otherwise create a lien upon or encumber any real property to which it holds title without the consent of the Administrator: *And provided further*, That each unit sold to or held in cooperative or mutual ownership by an eligible veteran shall be reported to the Administrator, who shall charge against such veteran's guaranty benefit the maximum amount so chargeable if a loan for the full purchase price or cost of such unit had been guaranteed or insured under this title, and shall pay an amount equivalent to 4 percent of the amount so charged to the association to be credited upon the obligation of such veterans to the association, unless such charge and such payment are required to be made otherwise to finance the purchase of such unit.

"(3) To purchase, construct, improve, or otherwise provide, to receive grants for, and to maintain and operate public facilities (which shall include for this purpose gas and electric distribution lines and facilities) reasonably necessary or desirable for the housing provided by or of the association, where such public facilities are then not otherwise available for such housing: *Provided*, That no association shall operate any mercantile establishment or other commercial enterprise, or operate any amusement enterprise.

"(4) To borrow money as may be required within the purposes and limitations of this section, and to execute notes or other obligations therefor.

"(5) To build up and maintain reasonable reserves: *Provided, however*, That such reserves shall not exceed in the aggregate 5 percent of the total obligations of such associations outstanding from time to time.

"(6) To make, adopt, repeal, and amend bylaws: to employ and to pay reasonable salaries to, the employees of the associations for services performed. Employees need not be veterans.

"(7) To exercise such other powers, not inconsistent with this title, as are appropriate for the conduct of the business of the association.

"(8) To require that all officers and employees of the association who handle funds of the association be bonded by an approved surety company in an adequate amount.

#### "ANNUAL AND OTHER REPORTS OF ASSOCIATIONS

"(h) Every association shall file, with the Administrator, not later than 45 days after the close of its fiscal year, an annual financial statement and shall also furnish to him such other financial statements, at such other times as he may require. All such reports shall be in such form and in such detail as may be prescribed by the Administrator. The Administrator shall make, annually and at such other times as he deems necessary, an examination of the financial books, records, and affairs of each association, in the manner customary for supervision of fiduciary institutions.

#### "PAYMENTS BY ASSOCIATION MEMBERS

"(i) Members of an association shall not be required to pay dues. Each association shall provide in its bylaws for the payment by each prospective member of the sum of \$100 to be credited on the books of the association to the credit of such persons. The sums so paid shall not bear interest. Each such sum shall be entered on the books of the association as a credit to the member making such payment for possible application either (1) as payment on a home purchased by such member from the association; or (2) as security for rent on a home rented from the association by such member. Each association shall provide further, in its bylaws, that a member may voluntarily withdraw from such association at any time and may receive back an amount equal to the amount of his payment to the association (unless such payments shall have been applied as payment on a home purchased by such member from the association or is held by the association as security for the payment of rent), but only after 1 year following the date of the initial payment and then only upon 60 days' notice to the association.

#### "LIMITATION ON COST AND AMOUNT OF HOUSING

"(k) No association shall purchase or improve, or contract for the purchase or improvement of, or otherwise acquire, any real property, unless, in the opinion of the Administrator, (1) the estimated final cost of the proposed housing (exclusive of related real property designed for commercial operation), as determined by the amounts of firm contracts for the acquisition of real property, the improvement thereof, the construction of buildings and the acquisition of related personal property, plus an amount equal to 5 percent of such contracts plus an allocable share of the estimated indirect or overhead costs and expenses of the association, fairly attributable to such housing, will not exceed a sum equal to the product of the number of family units in such housing multiplied by \$10,000; (2) such housing will afford living accommodations for sale or rent to veterans at prospective prices or terms favorable in comparison with any like or similar living

accommodations currently available in the locality; (3) the total number of units thereby provided will not be in excess of either the number of members of such association or the number of veterans in the community who may reasonably be considered, in the opinion of the Administrator, prospective purchasers of or tenants of such units.

#### "SALE OR RENTAL OF HOUSING OR REAL PROPERTY

"(k) (1) Subject to such exceptions as the Administrator may approve, all real property of an association shall be sold or leased for such prices or at such rents, as the case may be, as shall reasonably represent the actual cost thereof to the association, including (i) all costs of acquisition, construction, or improvement; (ii) interest on and amortization of obligations of the association fairly attributable to such housing; (iii) direct costs of operation and maintenance of such housing; and (iv) an allocable share of the overhead or indirect costs and expenses of the association fairly attributable to such housing, plus a reasonable contribution to the reserves to be built up and maintained under subsection (h) hereof, nor shall any sale by an association of a commercial unit, or of a dwelling unit other than the sale of a cooperative interest in a multiunit structure, be financed by an association.

"(2) Any deed or other instrument made by an association for the sale of its housing shall provide that such property shall not be conveyed or otherwise disposed of by the purchaser voluntarily within 3 years from the date of acquisition of such housing by such purchaser unless it shall first have been offered for sale back to the association at the original price paid to such association by such purchaser, less any depreciation which shall have occurred by that time and plus the fair value of any improvements which such purchaser shall have made to such property: *Provided*, That no association may use the property as security for additional loans after deed has been delivered to a veteran, even though the association retains an interest in the property.

"(3) As a condition to every sale of housing by an association to a veteran, such veteran shall furnish to such association an affidavit stating that he has not theretofore purchased any housing from any association which has not been offered for sale back to the association and he does not own any housing acquired from any association chartered under this title.

"(4) As a condition of every sale by an association to a veteran, such association shall furnish to such veteran an affidavit stating that no other veteran has purchased the property and if the property has been repurchased from a veteran by the association, the association will guarantee the title as free and clear of encumbrances, except those to be assumed by the new purchaser.

"(5) Every lease made by an association shall contain a prohibition against subleasing without the consent of the association.

#### "LOANS BY ADMINISTRATOR TO ASSOCIATIONS

"(1) The Administrator is authorized in his discretion to make either short-term or long-term loans to any association, upon either a secured or unsecured basis, for any of the purposes authorized by this section for which funds may be required by such association, including initial working capital and development expenses preliminary to the commencement of actual construction of housing. Advances made on a short-term basis may be refunded on a long-term basis, or may be repaid upon such terms and conditions as the Administrator may prescribe.

"(1) The interest rate charged to an association on any such borrowings shall not exceed such rate as may be fixed by the Administrator with the approval of the Secretary of the Treasury: *Provided*, That an as-



sociation may obtain funds for its purposes by borrowings from private lending sources on such terms with respect to rates of interest, maturity, and other matters as it may agree upon.

"(2) Any loans so made by the Administrator, except as to advances made for interim or temporary purposes, shall be repaid—

"(i) within a period of 40 years, if the proceeds of such loan are employed by the association to acquire or improve, and to operate and maintain, multiunit structures to be rented;

"(ii) within a period of 32 years, if the proceeds of such loan are employed by the association to construct or to purchase, and to operate and maintain, multiunit structures sold or held on a mutual or cooperative basis;

*Provided*, That cash receipts incoming to an association by reason of the sale of any other housing shall be transferred or paid to the Administrator for credit upon the obligations of the association to the Administrator. Each association to which any such loan may be made shall make, issue, and deliver to the Administrator, its note in the principal amount of such loan. Each such note shall be a nonnegotiable, unconditional obligation of the association, issued against its general credit, and payable from its general assets.

#### "TAX EXEMPTIONS

"(m) Notwithstanding any provisions of the Internal Revenue Code or any other law to the contrary, the net earnings of any association shall be exempted from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or other local taxing authority.

"(n) Subject to the provisions of subsection (m) hereof, no State, county, municipal, or other local taxing authority shall impose any tax upon any such association or its charter and franchise, capital, reserves, property, surplus, loans, or income, greater than that imposed by such taxing authority on other similar local nonprofit associations.

#### "FUNDS OF ASSOCIATION

"(o) The funds of an association may, as provided by its bylaws and in accordance with rules and procedures issued by the Administrator, be deposited in any bank or banks. No association shall invest its funds in any securities except obligations of the United States of America, or obligations unconditionally guaranteed by the United States as to the payment of both principal and interest, or obligations of a State, and, in any event no such investment shall be made except with the approval of the Administrator or pursuant to rules and regulations issued by him.

#### "DISTRIBUTION OF EARNINGS

"(p) At the end of any fiscal year any net earnings remaining to an association, after fully providing for the payment of all debts and obligations of such association, then due, and after providing for the reserves then currently required, shall be set aside in a special account to be used (i) for the reduction by the association of its notes or other obligations then outstanding, or (ii) with the express approval of the Administrator, for any other lawful purpose of the association.

#### "DISSOLUTION OF ASSOCIATIONS

"(q) (1) If the members or directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of such association to violate any of the provisions of this section or of the rules or regulations issued thereunder, the charter, and all the rights, privileges, and franchises of such association shall be forfeited. Such violation shall, however, be determined and adjudged by a proper district court of the United States in a suit brought for the purposes by the Administrator, in his

own name, before such association shall be declared dissolved.

"(2) Any association may, at any time, apply to the Administrator for its voluntary dissolution, and if, in his judgment, adequate provision shall have been made for the payment in full of all debts and obligations of such association, he shall promptly effect such dissolution.

"(3) Upon any dissolution, whether voluntary or involuntary, the net assets of an association, remaining after payment in full of all its debts and obligations, shall be liquidated under the supervision of the Administrator and the proceeds thereof shall be covered into the United States Treasury as miscellaneous receipts.

"(r) In any event upon the maturity of all obligations owing to the United States for the financing of properties held for rent under this section, such properties shall be transferred and conveyed to the Administrator of Veterans' Affairs who shall dispose of them for the benefit of the United States and, after payment from the proceeds thereof of any other obligations of the association which it may be proper to so pay, shall cover the remaining proceeds into the Treasury of the United States as miscellaneous receipts.

"(s) The power of the Administrator to issue rules and regulations for the effective implementation and administration of this section, pursuant to the provisions hereof and not in conflict herewith, shall include, but not by way of limitation, the power—

"(1) to provide such supervision of associations as he may deem necessary for the proper administration of this section;

"(2) to provide for the reorganization, consolidation, merger, or liquidation of any association or associations;

"(3) to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the assets, liabilities, and surplus of the same; and to release any such association from such control and permit its further operation: *Provided*, That in any case where the Administrator appoints a conservator or a receiver for any association, such conservator or receiver shall act primarily for the protection of the creditors of such association;

"(4) to delegate and authorize successive re delegation of any authority conferred upon him by or pursuant to this section, to any official or employee of the Veterans' Administration. The Administrator shall not act through, or delegate any such authority to, any other agency or any official or employee thereof.

#### "CRIMINAL PROVISIONS

"(x) (1) Whoever, being connected in any capacity with an association (i) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it; or (ii) with intent to defraud an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Veterans' Administration or of an association, makes any false entry in any book, report, or statement of or to the Veterans' Administration or an association, or, without being duly authorized, draws any order or issues, put forth, or assigns any bond, note, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be guilty of a felony and punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

"(2) Any veteran who willfully and knowingly makes any false statement in the affidavit required by section 511 (1) (3) to be furnished by him to an association in connection with his purchase of housing from such association shall be guilty of a felony and punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

#### "MATURITY OF GUARANTEED OR INSURED LOANS

"(u) Notwithstanding the 25-year limitation set forth in 500 (b) of this title, any loan made to a veteran for the purpose of purchasing a home from an association may have a maximum maturity not in excess of 32 years.

#### "TIME LIMITATION

"(v) The authority of the Administrator to issue charters to associations and to make loans to associations hereunder shall expire July 25, 1957.

#### "ADVISORY COUNCIL

"(w) There is hereby authorized to be established an advisory council to aid and advise the Administrator in the execution of his duties in relation to veterans' homestead associations. The council shall consist of the Administrator of Veterans' Affairs, who shall be Chairman; the Secretary of Agriculture; the Administrator of the Housing and Home Finance Agency; the Administrator of the Federal Works Agency; and six representatives of the public to be appointed by the Administrator of Veterans' Affairs, who shall be recognized leaders in the fields of finance, real estate, business administration, construction, labor, and housing. The members of the council shall not receive any compensation for their services on the council, but the Administrator of Veterans' Affairs is authorized to provide that the members receive a reasonable per diem allowance for each day of actual service, and in addition thereto be reimbursed for their necessary traveling expenses while on the business of the council.

#### "GRANTS FOR PUBLIC FACILITIES ESSENTIAL TO VETERANS' HOUSING

"Sec. 512. (a) The Federal Works Administrator is hereby authorized to make grants to States, political subdivisions thereof, other public bodies, and to associations for the construction, repair, improvement, or extension of public facilities wherever the Administrator of Veterans' Affairs shall find that such public facilities are necessary for or will facilitate the more effective use within the community of housing provided and to be provided for veterans under section 511 hereof.

#### "AMOUNT OF GRANT

"(b) The amount of any grant made hereunder shall not exceed 50 percent of the cost, as determined by the Federal Works Administrator, of the public facilities provided therewith.

#### "GENERAL CONDITIONS OF GRANT

"(c) No grant shall be made hereunder unless—

"(1) the public facilities for which such grant is made shall be determined by the Federal Works Administrator to conform to any applicable over-all State, local, or regional development plan approved by competent State, local, or regional authority; and

"(2) the public body or association to which such grant is made shall give assurance, satisfactory to the Federal Works Administrator, that (i) it will adequately maintain the public facilities for which such grant is made; (ii) the assessments or other charges which would otherwise be imposed for the provision of such public facilities will be reduced by an amount equal to the grant; and (iii) in the case of a public body, it will make available, for the housing for which such public facilities are provided, all other public facilities it then provides for other housing generally, and upon like terms and conditions.

#### "SPECIAL CONDITIONS OF GRANTS TO ASSOCIATIONS

"(d) No grant shall be made hereunder to any associations unless (in addition to the conditions specified in subsection 512 (c) here)—



"(1) the Federal Works Administrator shall determine that the type of public facilities for which such grant is made are, under applicable local law or practice, customarily provided in the first instance by real-estate developers or builders; and

"(2) such association shall agree to transfer such public facilities after completion, without compensation, to an appropriate local public body, if and whenever any such local public body may be willing to dedicate such public facilities to public use and to maintain them under the conditions specified in subsection 512 (c) hereof.

#### "DELEGATION OF AUTHORITY

"(e) The Federal Works Administrator may delegate and authorize successive redellegation of any authority conferred upon him by or pursuant to this chapter to any official or employee of the Federal Works Agency.

#### "PROVISION OF FUNDS

"SEC. 513. In order to carry out the provisions of this title there is hereby authorized to be appropriated the sum of \$50,000,000 for the purposes of section 512 and the sum of \$250,000,000 for the purposes of section 511."

#### "TITLE IV—HOUSING RESEARCH

"SEC. 401. (a) It is hereby declared to be the policy of the United States that the Department of Commerce shall be responsible for and it is hereby authorized to undertake technical, economic, and statistical research into, and studies of, housing in order to develop and encourage new and improved techniques in materials and methods of residential construction. Responsibility for statistics and technical and economic matters arising in the course of their own operations shall remain with the respective operating agencies within the Housing and Home Finance Agency.

"(b) To that end there shall be established in the National Bureau of Standards, within the Department of Commerce, a Housing Research Unit which shall undertake and conduct a program of technical research. Such Unit, in order to promote reduction in housing construction costs, is also authorized to undertake research and studies cooperatively with other agencies of the Government, with agencies of State or local governments, with educational institutions, or with nongovernmental research and technical organizations. Contracts may be made by the Bureau, with the approval of the Secretary of Commerce, for technical research and studies authorized by this section for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contract with organizations as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury.

"(c) The Department of Commerce, through the Bureau of the Census and the Construction Division of the Bureau of Foreign and Domestic Commerce, or such other bureau or bureaus within said Department as are now or hereafter may be designated for that purpose by the Secretary of Commerce, shall conduct economic and statistical studies into the housing supply, its condition and characteristics, housing market data, the supply of building materials and equipment, housing costs, and other economic and statistical matters important to the home-building industry and to home owners of the United States in order to bring about increased production, reduction in costs and improvement in methods of home construction and marketing.

"SEC. 402. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

#### "TITLE V—FARM HOUSING

##### "FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, share croppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title, the term 'farm' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or share cropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### "LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan, with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that

he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### "LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

"SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed ten years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contributions during the said ten-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percentum of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

"This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

##### "OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

"SEC. 504. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, or his tenants, lessees, sharecroppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order



to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of \$1,000 for any one farm or dwelling or building owned by such individual, or in excess of \$2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefit of the grant.

#### "TECHNICAL SERVICES AND RESEARCH

"SEC. 505. In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

#### "PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

"SEC. 506. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation, and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or

naval forces of the United States during any war between the United States and any other nation, and who died in service before the termination of such war.

#### "LOCAL COMMITTEES TO ASSIST SECRETARY

"SEC. 507. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title, and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### "GENERAL POWERS OF SECRETARY

"SEC. 508. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 509. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title, and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled 'An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836), as such act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

"SEC. 510. In order to carry out the provisions of this title there is hereby authorized to be appropriated the sum of \$400,000,000.

#### "TITLE VI—DISPOSITION OF WAR HOUSING

##### DEFINITIONS

"SEC. 601. For the purposes of this title—

"(1) The term 'Administrator' means the Federal Works Administrator.

"(2) The term 'Lanham War Housing Act' means the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended.

"(3) The term 'war housing' means any interest, owned by the United States and under the control of the Housing and Home Finance Agency, in (a) housing (other than temporary housing) acquired or constructed under the Lanham War Housing Act, under



the Second Supplemental National Defense Appropriation Act, 1941 (Public, No. 781, 76th Cong.), as amended, under the Urgent Deficiency Appropriation Act, 1941 (Public Law 9, 77th Cong.), or under the Second Deficiency Appropriation Act, 1944 (Public Law 375, 78th Cong.), and (B) such other property as is determined by the Administrator to be essential to the use of such housing.

"(4) The term 'veteran' means (A) any person in the active military or naval service of the United States during the present war, or (B) any person who served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable after active service of 90 days or more or by reason of an injury or disability incurred in service in line of duty.

"(5) The term 'dwelling' means a war housing building designed for residential use of one or more families.

"(6) The term 'dwelling unit' means a dwelling, or that part of a dwelling, which is designed for residential use of one family.

#### "TRANSFER OF WAR HOUSING TO FEDERAL WORKS ADMINISTRATION

"SEC. 602. (a) The functions of the Housing and Home Finance Agency with respect to war housing are hereby transferred to the Administrator.

"(b) There are hereby transferred to the Administrator, to be used or held in connection with the exercise of the functions transferred by this section, (1) the records and property used or held on the date of the enactment of this act in connection with such functions, and (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the Housing and Home Finance Administrator or the Housing and Home Finance Agency in the exercise of such functions as the Director of the Budget shall determine.

#### "SALE OF WAR HOUSING

"SEC. 603. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 602 shall, subject to the provisions of this act, be sold for cash as expeditiously as possible and not later than December 31, 1950. Wherever practicable each dwelling in a war housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 602 or acquired by him under this act pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

"(b) (1) Except as provided in paragraph (2) of this subsection, the price to be paid for war housing sold under this act shall be a price not less than the reasonable value thereof at the time of the offer for sale as determined by appraisal made by an appraiser or appraisers designated by the Federal Housing Administrator.

"(2) The price to be paid for any mortgage, lien, or other interest as security sold under this section shall be a price not less than the unpaid principal (plus accrued interest thereon) of the obligation with respect to which the mortgage, lien, or other interest as security is held.

"(c) Except as provided in subsections (a) and (b), the sale of war housing under this act shall be with or without warranty and upon such other terms and conditions as the Administrator deems proper.

#### "TRANSFER OF WAR HOUSING TO THE WAR OR NAVY DEPARTMENTS

"SEC. 604. Notwithstanding the provisions of this act or any other provision of law, the Administrator may, in his discretion, upon

the request of the Secretaries of War or Navy, transfer to the jurisdiction of the War or Navy Departments any war housing situated within the proximate vicinity of any permanent Army or Navy Establishment and which requests were on file April 15, 1949.

#### "PREFERENCES

"SEC. 605. (a) Preference in the purchase of any dwelling designed for occupancy by less than five families shall be granted to veterans and their families and to occupants over other prospective purchasers of such dwelling in the following order:

"(1) A veteran and his family who occupy a dwelling units in the dwelling to be sold.

"(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling purchased by such corporation, association, or society.

"(3) A nonveteran who occupies a dwelling unit in the dwelling to be sold.

"(b) In the case of any war housing project where it is not practicable to offer each dwelling for sale separately from other dwellings in the project and in the case of any dwelling designed for occupancy by more than four families, preference in the purchase thereof shall be granted first to any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society, and second to any city, village, town, county, or other political subdivision, or public agency or corporation (including a housing authority), in whose area of jurisdiction or operation any such dwelling is located.

"(c) The Administrator shall give such notice in such manner as he deems reasonable to enable prospective purchasers who have a preference under this section in the purchase of war housing to exercise such preference. Any prospective purchaser having a preference under subsection (a) in the purchase of any dwelling may apply for the purchase of such dwelling (1) if the preference is under paragraph (1), within 30 days after the date of the notice of the offer for sale, (2) if the preference is under paragraph (2), within 60 days after the date of the notice of the offer for sale, and (3) if the preference is under paragraph (3), within 90 days after the date of the notice of the offer for sale. Any corporation, association, or society having a preference under subsection (b) in the purchase of any war housing may apply for the purchase of such housing within 180 days after the date of the notice of the offer for sale.

#### "SALES WITHOUT PREFERENCE

"SEC. 606. If any dwelling or war-housing project is not sold to a purchaser who is granted a preference under section 605 and who applied within the time prescribed in subsection (c) of such section, such dwelling or war-housing project shall be sold as provided in this act without regard to any preferences granted under section 605 and without regard to any restrictions contained in any other law as to whom war housing may be sold.

#### "TITLE OF PURCHASER

"SEC. 607. A deed or other instrument executed by or on behalf of the Administrator purporting to transfer title or any other interest in property under this act shall be conclusive evidence of compliance with the provisions of the act insofar as title or other interest of any bona fide purchasers for value is concerned.

#### "VALIDITY OF CONTRACTS

"SEC. 608. Nothing in this title shall be deemed to impair or modify any contract entered into prior to the effective date of this title for the sale of property, or any term or provision of any such contract, without the consent of the purchaser or his assignee, if the contract or the term or provision thereof is otherwise valid.

#### "DISPOSITION OF PROCEEDS

"SEC. 609. Moneys derived by the Administrator from the disposition of war housing under this title shall be available to the Administrator, as additions to the sum stated in section 8 of title I of this act, for all the purposes of said title. So much thereof as shall not be used by the Administrator for purposes of said title shall be covered into the Treasury as miscellaneous receipts."

Mr. DAVIS of Georgia (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Georgia. Mr. Chairman, I should like to ask if this parliamentary step may be taken. This amendment is lengthy. I do not wish to take the time of the Committee needlessly by having it read. I believe it can be explained so that its provisions will be understood without its being read verbatim. There are copies available in the rear of the room for those who would like to examine the amendment. So, Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, in the hope that in addition to my 5 minutes on the amendment I may have such additional time as will enable me to explain its provisions.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, how many pages are there in the amendment?

Mr. DAVIS of Georgia. Fifty-five pages.

Mr. PATMAN. Reserving the right to object, Mr. Chairman, what is the number of the bill?

Mr. DAVIS of Georgia. H. R. 5085.

Mr. JOHNSON. Reserving the right to object, Mr. Chairman, where are the copies of the bill the gentleman says are here? I have been looking for them but cannot find them.

Mr. DAVIS of Georgia. They are at the pages' desk in the rear of the room.

Mr. JOHNSON. There are plenty of copies for all Members?

Mr. DAVIS of Georgia. I specifically asked that 25 copies be sent here, and I know there are that many in the room.

Mr. WHITTINGTON. Reserving the right to object, Mr. Chairman, is the request made with the understanding that the amendment will be printed at this point in the RECORD?

The CHAIRMAN. That will be done.

Mr. WADSWORTH. Reserving the right to object, Mr. Chairman, does the gentleman believe he can explain a bill of 55 pages in 15 or 20 minutes?

Mr. DAVIS of Georgia. I have an analysis which I believe will cover the principal points.



Mr. WADSWORTH. Does the gentleman say there are only 25 copies of the bill available?

Mr. DAVIS of Georgia. That is all I have asked be sent to the Chamber. There are other copies, but I have not asked for more than that number to be sent here.

Mr. WADSWORTH. I shall not object, but it puts a strain on the intelligence of every Member to understand a 55-page bill with a 10-minute explanation.

Mr. MONRONEY. Reserving the right to object, Mr. Chairman, in order to submit a parliamentary inquiry, may I ask if a point of order may be made against the amendment at this time?

The CHAIRMAN. If a point of order is to be raised against the amendment, it must be made either after the reading of the amendment or after unanimous consent is obtained to dispense with the further reading of the amendment.

Is there objection to the request of the gentleman from Georgia?

Mr. SHAFER. I object, Mr. Chairman.

Mr. COUDERT (interrupting the reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COUDERT. Mr. Chairman, I have a substitute amendment for the amendment which has just been offered, which is in the nature of a substitute for the bill: Is it in order to offer my amendment now or after debate has been concluded on this amendment?

The CHAIRMAN. It will be in order after the gentleman from Georgia [Mr. DAVIS] finishes his remarks and in the event that the gentleman from New York secures recognition.

Mr. CARROLL. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is out of order.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, I must demand the regular order.

The CHAIRMAN. The gentleman from Colorado understands that the amendment is being read, and until the Clerk completes the reading of the amendment, or the further reading is dispensed with, the gentleman cannot be recognized for that purpose.

Mr. CARROLL. Mr. Chairman, a parliamentary inquiry.

Mr. WOLCOTT. Mr. Chairman, is it in order to interrupt the reading of an amendment for a parliamentary inquiry?

The CHAIRMAN. It is in order and it is within the discretion of the Chair.

The gentleman from Colorado will state his parliamentary inquiry.

Mr. CARROLL. My purpose in making this parliamentary inquiry is to know whether it would be possible to amend this amendment or substitute as it is being read. May I say that I note the gentleman from Georgia made a speech in the Record.

The CHAIRMAN. In reply to the gentleman's parliamentary inquiry, the Chair states that the amendment first

has to be read and then that would be in order.

Mr. PATMAN. Mr. Chairman, in view of the fact that copies of the amendment are available and can be furnished by the pages to any Member who desires a copy and in view, also, of the fact that the amendment is 55 pages long, I renew the request asking unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. SHAFER. Mr. Chairman, reserving the right to object, the gentleman from Georgia has admitted that there are only 25 copies available on the floor. Therefore I object to any such request.

Mr. PATMAN. Mr. Chairman, I understand there are more than that.

The CHAIRMAN. The Clerk will read.

Mr. PATMAN (further interrupting the reading of the amendment). Mr. Chairman, I renew my request that the further reading of the amendment be dispensed with.

Mr. SHAFER. Mr. Chairman, I understand there are now 27 copies of the bill on the floor, so I withdraw my objection.

Mr. PATMAN. There are several hundred copies.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I would like to reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Oklahoma reserves a point of order. The gentleman from Georgia [Mr. DAVIS] is recognized.

Mr. DAVIS of Georgia. Mr. Chairman, I ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. SPENCE. Mr. Chairman, reserving the right to object, and I will not object to the five additional minutes requested, but we have had 8 hours of general debate and we want to move along as fast as we can. I will object to any further request for extension of time.

Mr. COUDERT. Mr. Chairman, reserving the right to object, I also have an amendment in the nature of a substitute. If the gentleman from Georgia [Mr. DAVIS] is going to be allowed five additional minutes, I shall certainly make the same request. If the distinguished gentleman from Kentucky [Mr. SPENCE] is going to object to any further requests for extension of time, I shall be constrained to object to the gentleman's request for further time at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia [Mr. DAVIS]?

Mr. COLMER. Mr. Chairman, reserving the right to object, while it is true that 8 hours were devoted to general debate, yet it is also true that many Members who wanted to speak on this bill have not had an opportunity to. This is a very important piece of legislation,

and I sincerely hope that the distinguished chairman of this committee, the gentleman from Kentucky, will not try to cut off debate at the beginning of consideration under the 5-minute rule.

Mr. SPENCE. Mr. Chairman, I withdraw my request.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. Inasmuch as there are four or five substitutes to be offered would the Chair entertain a consent request that each Member who offers a substitute be recognized for 10 minutes? Could we have that understanding at this time?

The CHAIRMAN. The Chair would be constrained not to invite that procedure. The Chair will entertain requests as to each substitute when the requests are submitted.

The gentleman from Georgia asks unanimous consent to proceed for five additional minutes. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from Georgia is recognized for 10 minutes.

Mr. DAVIS of Georgia. Mr. Chairman, I believe the Members now have available the printed copies of H. R. 5085. This is a bill which I introduced carrying provisions under which none of the various administrations involved may obtain money without going to the Committee on Appropriations. This bill provides that for all expenditures which are to be made appropriations must be recommended by the Committee on Appropriations and enacted by the Congress. The various provisions in the several titles of this bill merely authorize appropriations for the purposes set out in this bill.

Title I is the slum-clearance title. It presents a plan under which a beginning can be made to clear the slums of the Nation under what are believed to be sound principles. It deals with the question of slums in a manner that recognizes that they are a problem within themselves and that a plan to deal with them should not be one which makes the question simply a feeder for public housing. The two problems are separate and distinct and should not be connected. Under the provisions of this title the Federal Works Agency is the agency which will administer the slum-clearance provisions. This agency deals with the States or with the subdivisions of the States such as municipalities, cities, towns, and counties. I regard this as being sounder procedure than that which is provided for under H. R. 4009 under which the Federal Government deals directly with the local agency involved. This title under H. R. 5085 preserves the principle of local self-government and the principle of States' rights. Under this title of H. R. 5085 the Federal Government makes loans and grants to the States to be used by the State or its subdivision to acquire slum property for its redevelopment for its highest and best use. Land so acquired may be devoted to commercial or



industrial uses, housing, parks, playgrounds, or appropriate public uses as determined by a redevelopment plan. The land is sold at a reasonable price with due regard for the new use thereof.

This bill provides that loans will be made to the subdivisions of the State involved for an amount estimated to be equal to the resale value of the land which has been acquired and cleared; that is, if a block of slum land has been acquired and cleared, a sufficient sum is lent to the city or the agency involved estimated to be equal to the resale value of that land. When the land is sold the loan is repaid. Then, under this bill the Government donates one-half of the difference between the cost of the land and its clearance and the resale value. The city or the county or the subdivision doing the work donates the other 50 percent of that cost. A total of \$350,000,000 is provided. The bill also provides that not more than 20 percent shall be used in any one year and that not more than 10 percent shall go to any State in the Union. It provides that the program shall run into 1954, a period of 5 years.

This will give us a start into genuine slum clearance. It will enable us to feel our way as we go along. It enables the Appropriations Committee to carefully investigate the methods and procedure and if any flaws develop Congress will have an opportunity to correct them. That is the great difference between my bill and H. R. 4009. Under that bill no such opportunity exists for the Congress to review or reexamine and correct errors. The power to do that is divested from Congress whenever H. R. 4009 is enacted into law. From then on Congress would have no supervision over the expenditure of the money.

Title II of this bill is the low-rent housing provision and provides for low-rent dwellings on an incentive basis. The bill contains provisions, as you will see from examining it, for proper representations to be made at the time application is made for the tax abatement and the favors granted in this bill to the builder. It provides for a period of 10 years the local ad valorem taxes, State, county, and city shall be frozen at the figure at which they are assessed at the time application is made. To use an illustration, let us say a block of slum houses is assessed at \$25,000. That assessment will remain in effect for a period of 10 years even though a million dollar apartment house may be erected on the property. It provides a further incentive in that depreciation at the rate of 10 percent per annum is allowed for a period of 10 years which may be credited against the Federal income taxes of the developer.

It provides two methods of tax reduction which will make a substantial saving to the tenant. The bill requires that these savings be applied to the rent. They cannot be placed in the pockets of the taxpayers. As I inserted in the Record in my remarks yesterday, it will result in cutting a normal rent of \$80 down to \$46.26.

This is private industry. It does not cost the Government anything whatsoever. It simply prevents an increase in

taxation because of the improvement and does not cost the Federal Government anything because the taxpayer, unless these improvements are made, would not be paying the Federal income tax anyway. It does not cost the Federal Government a dollar; it does not cost the local government a dollar; yet it results in real low-rent dwellings for those who need them.

The bill contains certain provisions that only those who do need them can be admitted as tenants. It contains the machinery by which they may be ascertained to be needy people before they are entitled to enter as tenants.

The bill contains a provision, which was investigated by this Congress to a large extent last year, known as the Veterans' Homestead Act, introduced in the Eightieth Congress, considered by the Veterans' Affairs Committee and reported out. It will give to veterans the opportunity to have low rental housing or to buy their dwellings at a price which veterans can afford.

You members of the Committee on Veterans' Affairs who are familiar with it, know that the Veterans' Homestead Act does contain workable, practical provisions that will give low rental housing to veterans under the cooperative system and will enable them to purchase dwellings under that system at reasonable prices. The maximum allowed is \$10,000 construction cost per unit. The bill provides that the veteran may borrow the \$10,000 necessary to provide payment for the dwelling. It authorizes an appropriation of \$250,000,000, and the program is to be administered by the Veterans' Administration. This bill also contains provisions for farm aid loans and assistance.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I raise a point of order against the amendment. I make the point of order that the amendment is not germane to H. R. 4009 in that it contains a major section amending the Internal Revenue Code, and therefore is not germane to either the activities of the Committee on Banking and Currency or the bill H. R. 4009 now under consideration.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. DAVIS. No, Mr. Chairman.

The CHAIRMAN. The Chair would like to inquire of the chairman of the committee whether or not there are any provisions in H. R. 4009 affecting the Internal Revenue Code.

Mr. SPENCE. No, Mr. Chairman. There is no provision of that character in the bill.

The CHAIRMAN. The Chair is ready to rule. On page 7 of the amendment, title II, section 201 there is a provision relating to the Internal Revenue Code. Legislation affecting the Internal Revenue Code comes under the jurisdiction of the House Committee on Ways and Means and not the House Committee

on Banking and Currency. The Chair, therefore, sustains the point of order.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, this bill would represent a completely unworkable and inadequate substitute for the basic programs contained in H. R. 4009.

#### TITLE I. ASSISTANCE TO STATES FOR THE ACQUISITION AND REDEVELOPMENT OF SLUMS

This title would authorize appropriations of \$350,000,000 for loans and grants to States of which not more than 20 percent could be spent in any year and none after June 30, 1954, would require half of all losses to be met in cash by the States, and would provide no effective means for the rehousing of families displaced by slum clearance.

Few if any States could participate in this program on the basis of their present constitutional or statutory powers. Even if all the Federal funds authorized could be expended by June 30, 1954, which is highly doubtful, the program would be grossly inadequate even as a start on slum clearance.

This title is substantially similar to a draft of a proposed bill circulated among some Members of Congress early this year by Morton Bodfish of the United States Savings and Loan League.

#### TITLE II. HOUSING FOR FAMILIES OF LOW INCOME—ACCELERATED TAX

This title is a complete misnomer. Its proposal for accelerated tax depreciation of rental housing has been previously exposed as a device for income-tax subsidies for private builders and investors. There is nothing in this plan which would reduce rents one penny. While the requirement for abatement of local real estate taxes might reduce rents by \$10 a month, many States would require new legislation in order to authorize such tax abatement. Even where tax abatement was available, average rents would be about \$75 a month at current cost levels, or far above the paying ability of low-income families. Since the bill would limit occupancy to families certified as in need of public rent assistance or unable to pay rents for adequate private housing, little if any housing would be certified by the FHA, as required under this title.

#### TITLE III. VETERANS' HOMESTEAD ASSOCIATIONS

The program proposed in this title would produce at the most 25,000 units of housing. The provisions of the title are substantially similar to the veterans homestead bill of 1948 although greatly reduced in size. That bill was originally sponsored by the American Legion which is now strongly supporting H. R. 4009 and is not supporting H. R. 5085.

#### TITLE IV. HOUSING RESEARCH

This title would authorize a limited program of technical research and would place it in the Department of Commerce which has no direct contact with housing. The title runs completely contrary to the recommendations of the Joint Committee on Housing in the Eightieth Congress



which strongly recommended a comprehensive program of housing research in the Housing and Home Finance Agency, as is done in H. R. 4009.

#### TITLE V. FARM HOUSING

This title is largely identical to title IV of H. R. 4009.

#### TITLE VI. DISPOSITION OF WAR HOUSING

This title would require the sale of all permanent war housing by the end of 1950. While it purports to give preferences to veterans, it imposes rigid and unworkable requirements which would probably have the effect of dumping most of this housing into the hands of speculators.

#### ADMINISTRATIVE REQUIREMENTS

H. R. 5085 would lead to confusion and overlapping in the administration of housing programs. It would place responsibility for its so-called slum-clearance program in the Federal Works Agency—which will shortly be absorbed in a new general services agency under legislation approved by both Houses—would transfer permanent war housing to FWA while leaving temporary war housing in the Public Housing Administration, and would place housing research activities in the Department of Commerce.

This dispersal of responsibility for housing runs directly counter to the recommendations of the Hoover Commission that all housing activities be placed in one agency under a single administration.

The Hoover Commission stated that substantial progress has been made toward unifying the housing activities of the Government by the establishment of the Housing and Home Finance Agency and recommended, in addition, that the GI loan program of the Veterans' Administration, the Federal National Mortgage Association, and the Office of the Housing Expediter be transferred to that Agency.

#### STATEMENT IN OPPOSITION TO H. R. 5085

H. R. 5085, which was introduced on June 9, is intended as a substitute for H. R. 4009. The bill, which has not yet been considered by the Committee on Banking and Currency, contains six lengthy titles. It is clearly impractical to consider this entire bill without benefit of committee study and public hearings. It would be impossible to perfect this bill on the floor unless we stayed in session until September. Indeed, with the exception of the farm housing title, which is similar in many respects to the farm housing title of H. R. 4009, I believe that each of the titles in the bill is fundamentally unsound.

Quite apart from the many positive defects which are contained in the bill, it is deficient in that it makes no provision, whatsoever, for housing families of extremely low income. These families, whose need for decent housing is the most desperate of all, cannot possibly hope to benefit from any of the provisions of H. R. 5085. There is one title of the bill which is headed "Housing for families of low income." However, analysis of this title makes it plain that it does not accomplish its stated purpose. Furthermore, in the absence of any effective provision for housing families of low

income, many of whom dwell in slum areas, the slum clearance title of the bill, to the extent that it might prove effective, would actually make their plight even worse. Slum clearance, unaccompanied by effective provision for rehousing displaced families, merely has the effect of further crowding the families into remaining slums.

#### TITLE I. ASSISTANCE TO STATES FOR THE ACQUISITION AND REDEVELOPMENT OF SLUM LAND

This title, which would be administered by the Federal Works Agency, provides for grants and loans to States for the acquisition and clearance of slum land for redevelopment. The Federal grants would be limited to one-half of the write-down in land values as a result of putting the slum land to new use, and the States would bear the cost of the remaining half. Grants and loans and administrative expenses are authorized in the aggregate amount of \$350,000,000, of which not more than 20 percent could be expended in any 1 year.

This program is inadequate and basically unsound. The many studies of this subject which have been made during the past 5 years by the House and Senate Committees on Postwar Planning, the House and Senate Committees on Banking and Currency, and the Joint Committee on Housing, all lead to the conclusion that a larger program and a larger percentage of Federal support than would be provided by this title are necessary if an effective beginning is to be made in clearing out slums. Indeed, many of our States would be financially unable to participate in the proposed program.

Furthermore, the studies by these congressional committees unanimously taught the lesson that a slum clearance program is justified and desirable only if adequate provision is made for rehousing the displaced families. H. R. 5085 makes no such provision. True, it recites that displaced families shall be given "immediate accommodations" in Federally subsidized low-rent housing or shall be given "rental assistance for a reasonable period" by the States. However, it is perfectly clear, that, unless the construction of additional federally subsidized housing is authorized, there is no possibility that any considerable number of displaced families could be accommodated in such housing. It is also abundantly clear that the contemplated rent certificates will not provide the housing which is necessary to replace demolished slum dwellings. Indeed, it would be economic folly for private investors to provide the necessary additional housing in reliance on the rental assistance which, by the very terms of the bill, would be available for only a brief period of time.

If the highly improbable were to happen, and substantial slum clearance were actually to result from this most inadequate program, the effect would merely be to force families residing in the cleared slums to crowd into the remaining slums at higher rentals, thereby boosting realty values in those remaining slums, and giving the slums a firmer grip on life.

Thus, the basic defect of this title is that it fails to recognize that the work of slum clearance cannot properly be

carried on without regard to the need for rehousing the residents of the slums which are cleared. No doubt, it is the failure to recognize this fact which also lead the sponsors of the bill to vest responsibility for the program in the Federal Works Agency, rather than in the Housing Agency, working with the local communities.

#### TITLE II. HOUSING FOR FAMILIES OF LOW INCOME

This title proposes, as a substitute for the low-rent public housing provisions of H. R. 4009, an amendment to the Internal Revenue Code permitting an investor to depreciate rental housing investment for tax purposes at the rate of 10 percent per year (instead of the normal rate of 2½ percent) over a period of 10 years. Thus the full capital cost could be written off in 10 years, instead of 40 years under the present normal depreciation rate. This accelerated depreciation would be available only to investors who had received an eligibility certificate from the Federal Housing Commissioner. The certificate could be issued upon agreement by the investor to rent the facilities only to families whom the local government welfare agency certifies as receiving or entitled to receive public rent assistance or as having insufficient income to afford decent housing. A further prerequisite for issuance of the eligibility certificate is the exemption from local taxes of the increase in value of the property by reason of the housing improvement.

In contrast with low-rent public housing, this proposed substitute will not produce any substantial amount of decent housing at rents which low-income families could afford to pay. Accelerated depreciation itself would not result in reduced rents. Most proponents of accelerated depreciation have claimed only that it will stimulate rental housing investment; they have not claimed that it will reduce rents. True, the higher depreciation rate will tend to wipe out the investor's income taxes on the project for the first few years, but since he would not be able to claim depreciation after 10 years, the higher taxes in the later years would tend to wipe out most of his earlier advantage. There are three contingencies which might make accelerated depreciation attractive. One is sale of the project, which would permit the investor to retain some of his earlier advantage as a result of the lower capital gains rate which would apply to the sale. Another is lower income tax rates in later years. A third is the prospect of lower competitive rents, and thus reduced income tax liability in the later years. But it is not conceivable that an investor would pass on in reduced rents his earlier cash advantage simply on the possibility that any of these contingencies might relieve him of the necessity to pay most of it back to the Government. That is not the way an incentive works.

If valid, the local tax exemption contemplated under the bill could achieve some rent reduction. However, this would require the enactment of State legislation which would undoubtedly take several years. Also, such tax exemption for individuals would be of doubtful con-



stitutionality in most States. On a typical project, the rent reduction from such exemption would not exceed \$10 per unit per month. At current costs, the average rent on a project assisted under the bill would be about \$77 in contrast to \$50 claimed by its proponents. This compares with an average gross rent (including all utilities) of about \$22.50 per month—or \$19.50 shelter rent—which could be achieved under the low-rent public housing provision of H. R. 4009 through Federal contributions and local tax exemption.

Housing renting for \$77 per month could not qualify for the FHA eligibility certificate required by the title. The title would thus become a dead letter. However, if the accelerated depreciation provision of H. R. 5085 were not coupled with the requirement that low rents be achieved, it could result in a substantial loss of Federal revenues without commensurate public benefit. Substantial benefits would flow however to a limited class of wealthy investors, and the benefits conferred would be unrelated to any assistance given housing construction. Under no circumstances could this title serve as a substitute for low-rent public housing.

#### TITLE III. VETERANS' HOMESTEAD ASSOCIATION

This title provides for the formation of Veterans' Homestead Associations which would construct housing with the aid of Federal loans made at low interest rate by the Administrator of Veterans' Affairs. These loans would be authorized in the amount of \$250,000,000. The associations, which would be chartered by the Veterans' Administrator on the application of five or more veterans, would be authorized to rent or sell the housing to veterans of World War II. The Federal Works Administrator would be authorized to make 50 percent grants aggregating \$50,000,000 for streets and water and sewer facilities necessary to serve the housing constructed by the Veterans' Homestead Associations.

The title is substantially similar to H. R. 4488, Eightieth Congress, the veterans' homestead bill of 1948. That bill was originally sponsored by the American Legion. It is interesting to note that the Legion is no longer sponsoring this legislation, and in its place is now sponsoring other housing legislation, including H. R. 4009.

Title III of H. R. 5085 is defective in a number of very important particulars. The title would make very little contribution toward increasing the volume of residential construction or toward decreasing its cost. The title is addressed primarily to the provision of additional housing credit, and fails to recognize that the level of construction costs, rather than lack of credit, constitutes the major obstacle to providing housing for a higher percentage of our families. The enactment of the title would probably tend to maintain or increase excessive construction costs and sales prices. It would also bypass established channels of home financing and would have a disruptive effect on the mortgage market, without securing any substantial savings to veterans.

It should be noted, too, that the title would provide for a large number of

federally chartered associations which would necessarily be subject to a fairly close degree of supervision by the Veterans' Administration. This would require the Veterans' Administration to duplicate or overlap many functions of other Federal agencies.

Finally, it should be noted that the grants for the construction of streets and utilities seem unjustified as an indirect and relatively expensive form of subsidy to veterans' housing, since the streets and utilities would generally benefit entire neighborhoods and not merely the housing constructed by the Veterans' Homestead Associations.

#### TITLE IV. HOUSING RESEARCH

This title would repeat and perpetuate mistakes and deficiencies that have characterized past ventures of the Federal Government into the field of housing research. It ignores completely the recommendations of the Joint Committee on Housing with respect to housing research. The title sets up an artificial distinction in the research duties of the Housing Agency and the Commerce Department which could produce nothing but confusion and duplication and calls for a division of responsibility not found in other Federal programs. Technical and economic matters arising in the course of their own operations would be handled by the operating agencies of the Housing and Home Finance Agency. Other housing research would be in the province of the Commerce Department.

However, there is no problem, technical or economic, which does not arise in the course of agency operations. To cite only one example, the FHA cannot agree to insure the mortgage on a property incorporating a novel construction method until it is satisfied that the method is a sound one. And likewise it cannot agree to insure the mortgage on a large rental housing project until the market facts as to housing need and demand in the locality have been collected and reviewed. To do otherwise would represent a failure to protect the interests of the Government.

H. R. 5085 treats housing research as though it were an abstract matter capable of being detached from close contact with the industries that are expected to benefit from it. Such treatment would perpetuate the technological lag in housing research compared with research concerning the rest of our economy. It is true that the bureaus of the Commerce Department possess facilities and skill which have been developed through the years. The Bureau of the Census, the Bureau of Foreign and Domestic Commerce, and the National Bureau of Standards all carry on valuable scientific or economic inquiries of broad general interest. The American people paid for the development of the facilities and skills developed by the bureaus, and are entitled to their full benefits.

The efficient way to use the facilities of the departments of commerce, as well as those of private enterprise, for the improvement of housing is the one proposed in H. R. 4009. That bill follows the recommendations of the Joint Committee on Housing that the Housing Agency be charged with the responsibility of utilizing fully existing private and public

research and testing facilities and of disseminating the results in ways designed to encourage a modernizing of the industry.

#### TITLE V. FARM HOUSING

The financial aids to farm housing in H. R. 5085 are substantially the same as in H. R. 4009. The farm housing titles of the bills differ in the following major respects:

H. R. 5085 authorizes the appropriation of \$400,000,000 to finance the program. Other than this maximum amount to be appropriated for all purposes, H. R. 5085 contains no separate limitations on funds for contributions, grants, and loans. H. R. 4009, would authorize a maximum of \$250,000,000 in loans, \$50,000,000 in contributions, and \$12,500,000 in grants.

There are two desirable provisions of H. R. 4009 which are omitted from H. R. 5085. One is an authorization of moratoriums upon the payment of principal and interest on loans in certain cases, as well as cancellation of interest payments during moratorium periods in cases of extreme hardship. The other is a provision that the Secretary of Agriculture prepare estimates of national farm housing needs and recommendations for executive and legislative action to meet those needs.

#### TITLE VI. DISPOSITION OF WAR HOUSING

Title VI of the bill would transfer all functions of the Housing and Home Finance Agency with respect to war housing (other than temporary housing) to the Federal Works Administrator and would provide that all the housing transferred shall be sold for cash not later than December 31, 1950, at a price not less than the reasonable value thereof at the time of the offer for sale as determined by appraisal made by appraisers approved or designated by the Federal Housing Administration. The Federal Works Administrator would be authorized to transfer to the jurisdiction of the War or Navy Departments any housing situated within the proximate vicinity of any permanent Army or Navy Establishment the transfer of which is requested by the Army and Navy prior to April 15, 1949. The bill also establishes certain preferences to veterans in the sale of the war housing. Proceeds from the sales of the housing would be available to the Federal Works Administrator for assistance to States for the acquisition and redevelopment of slum land pursuant to title I of the bill with any surplus to be covered into the Treasury as miscellaneous receipts.

These provisions—with the exception of the provision for using proceeds for slum clearance—are similar to the provisions of H. R. 3492 which was passed by the House on June 18, 1947, prior to the establishment of the Housing Agency on a permanent basis.

These provisions of the title would impose inflexible and unworkable limitations on the disposal of war housing which would be detrimental to veterans and to present occupants.

Transferring permanent war housing to the FWA and leaving temporary housing in the HHFA would result in a duplication of work and personnel. In many cases permanent war housing is



intermingled on a single site with temporary housing. In other cases permanent and temporary housing are adjacent and served by common utilities. The HHFA is familiar with the local situations with respect to the housing since it was built under its supervision and the agency has been engaged in consultation with local communities with respect to its disposition. The proposed transfer of housing functions is also contrary to the Hoover Commission recommendations.

The requirements that the housing must be sold not later than the end of 1950 and at not less than the appraised reasonable value, may prove mutually contradictory. In addition the requirement of cash for the purchase of the housing might make it difficult for veterans to exercise their preference and might result in making the housing available for sale to speculators. The time restriction would make it difficult for veterans to organize cooperatives and arrange for the financing of large projects.

The provisions for preferences to veterans do not give them any preferences they do not already have and in addition are defective in that under the definition of veteran men still in uniform, including those who saw war service, may be deprived of a preference and widows of veterans are not given a preference. Also, the requirement that associations purchasing large projects shall be composed entirely of veterans may nullify their preference since experience has shown that it is necessary and desirable to include some nonveterans in associations purchasing large projects. In addition, present occupants are given no preferences unless they are veterans.

The provision that all dwellings shall be sold at not less than their appraised value would repeal the benefit of an existing law that permits veterans to purchase housing for occupancy at either the market value or its cost to the Government, whichever is less.

It thus seems clear that many provisions of the obsolete legislative proposals now embodied in this title are clearly defective and basically wrong.

Mrs. BOLTON of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOLTON of Ohio: Strike out all after the enacting clause and substitute the following: "That this bill may be cited as the Housing Act of 1949."

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and point out that there are summaries at the desk near the door.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WADSWORTH. Mr. Chairman, reserving the right to object, may I inquire how lengthy the amendment is?

The CHAIRMAN. The amendment is 78 pages long.

Is there objection to the request of the gentleman from New York?

Mr. SHAFER. I object, Mr. Chairman.

The Clerk read as follows:

#### DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth and wealth of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes, and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs; (4) governmental aid to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas to facilitate community development and redevelopment and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended only where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

#### TITLE I—URBAN REDEVELOPMENT AND SLUM CLEARANCE

##### LOCAL RESPONSIBILITY TO AID HOUSING COST REDUCTIONS

SEC. 101. In extending financial assistance under this title, the Administrator shall give consideration to the extent to which the appropriate local public bodies have undertaken a positive program of encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs.

##### LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by

private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, 45 years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator. Such loans may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(b) The Administrator may make loans to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such loans may be made upon the condition that such loans shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

(c) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by not to exceed an additional \$250,000,000 upon a determination by the President that such action is in the public interest.

(d) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purposes is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obliga-



tions acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

#### CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans. The aggregate of such capital grants with respect to all the projects of a local public agency which are assisted under this title shall not exceed two-thirds of the aggregate of the net project costs, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid required with respect to the project pursuant to section 104.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by not to exceed an additional \$100,000,000 upon a determination by the President that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated the amounts necessary to provide for such payments.

#### REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which such contracts have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency which are assisted under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### LOCAL DETERMINATIONS AND RESPONSIBILITIES

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) the redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) when land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin

the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds are necessary to carry out the purposes of this title;

(c) there be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families: *Provided*, That, in view of the existing acute housing shortage, each such contract shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if in the opinion of the local governing body such demolition would result in undue hardship for the occupants of the structure.

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a director to administer under the direction and supervision of the Administrator the provisions of this title;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of loans and capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title, and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law

relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time, in his discretion, transfer to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its cash value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary of Labor, shall be paid by any contractor engaged on the project involved; and the Administrator may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) the provisions of sections 1 and 2 of the act of June 13, 1934 (U. S. C., title 40, secs. 276b and 276c), shall apply to any project financed in whole or in part with funds made available pursuant to this title;



(c) any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total manhours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of land within (i) a slum area or other deteriorated or deteriorating area which is predominantly residential in character, or (ii) any area which is to be developed or redeveloped for predominantly residential uses and which prior to such development or redevelopment constitutes a deteriorated or deteriorating area or open urban land which because of obsolete platting or otherwise impairs the sound growth of the community or open suburban land essential for sound community growth; (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevel-

opment plan. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, of the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

#### TAX EXEMPTION

SEC. 111. Obligations, including interest thereon, issued by local public agencies for projects undertaken pursuant to this title, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

#### TITLE II—LOW-RENT PUBLIC HOUSING LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract for financial assistance pursuant to this act with respect to any low-rent housing initiated after March 1, 1949, (i) unless the public-housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and (ii) unless the governing body of the locality involved has entered into an agreement with the public-housing agency providing for the local cooperation required by the Authority pursuant to this act; and

"(b) the Authority shall not make any contract for annual contributions pursuant

to this act with respect to any low-rent housing initiated after March 1, 1949, unless the public-housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this act for annual contributions for low-rent housing projects initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, unsanitary, or overcrowded dwelling, or had been displaced by a slum-clearance or land assembly and clearance project or by off-site elimination in compliance with the equivalent elimination requirement hereof, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) as among applicants eligible for occupancy in a dwelling and at the rent involved, the public housing agency shall (subject to the veterans' preference prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

#### VETERANS' PREFERENCE

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) every contract made pursuant to this act for annual contributions for low-rent housing projects initiated after March 1,



1949, shall require that the public housing agency in selecting tenants shall give preference, as among applicants eligible for occupancy of the dwelling and at the rent involved, to families of veterans and servicemen (including families of deceased veterans or servicemen), where application for admission to such housing is made not later than 5 years after March 1, 1949. As among applicants entitled to the preference provided in this subsection, first preference shall be given to families of disabled veterans whose disability is service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

#### COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed \$2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows: "Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

(b) The following is added after section 21:

#### "PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public-housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public-housing agency is subject (as such substantial default shall be defined in such contract), the public-housing agency shall be obligated to convey to the Authority the project, as then constituted, to which such contract relates;

"(2) the Authority shall agree to reconvey the project, as constituted at the time of reconveyance, to the public-housing agency by which it shall have been so conveyed or to its successor (if such public-housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligations to make annual contributions available unless there are any obligations or covenants of the public-housing agency to the Authority which are then in default. Any prior conveyances shall not exhaust the right to require a conveyance of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public-housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of the act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted, in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted, and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall

be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent."

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, loans shall not be made for a period exceeding 45 years from the date of the bonds evidencing the loan: *And provided further*, That in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 45 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 45 years from the date of the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate."

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 45 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 45 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost."

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public-housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions."

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged."

(h) Section 20 is amended to read as follows:

"Sec. 20. The Authority may issue and have outstanding at any one time notes and



other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.”

(1) Subsection 2 (5) is amended to read as follows:

“(5) The term ‘development’ means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment in connection with a low-rent housing project. The term ‘development cost’ shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.”

#### ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: “With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize

the commencement of construction of not to exceed 135,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 135,000 dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed 810,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than 65,000 dwelling units, or may be decreased at any time or times by amounts aggregating not more than 85,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amounts specified in the cooperation agreements or ordinances or resolution in effect July 1, 1947.”

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: “The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family, other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. In determining the net income of families for the sole purpose of eligibility for continued occupancy, the Authority may also authorize the exclusion of all or any part of the income of minor members of the family other than the head of the family and his spouse. For the purposes of this subsection, a minor shall mean a person less than 21 years of age.”

#### TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words “rural or urban communities” and by substituting therefor the words “urban and rural nonfarm areas.”

(b) (1) By adding the following new subsection to section 2:

“(15) The term ‘initiated’ when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.”

(2) By adding to subsection 2 (11) the following: “It is the intent of this act that the Authority shall deal directly with a State if the State makes application to the Public Housing Administration for Federal assistance for a project under the terms of this act.”

(c) By adding to section 6 the following new subsection:

“(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act now or hereafter adopted.”

(d) By deleting from the proviso in subsection 10 (a) and in subsection 11 (a) the following: “, unless the project includes the elimination” and substituting the following: “unless, subsequent to the initiation of the project and within a period specified by the Authority, there has been or will be elimination”.

(e) By amending the second sentence of subsection 13 (a) to read as follows: “The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or acquire (pursuant to section 22 or otherwise) any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.”

(f) By amending subsection 21 (d) to read as follows:

“(d) Not more than 10 percent of the total annual amount of \$320,000,000 provided in this act for annual contributions, nor more than 10 percent of the amounts provided for in this act for grants, shall be expended within any one State.”; and

(g) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### TITLE III—HOUSING RESEARCH

SEC. 301. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

“Sec. 301. The Housing and Home Finance Administrator shall—

“(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved



residential design and construction, new and improved types of building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. The Administrator shall disseminate, and without regard to the provisions of section 6 of the Treasury and Post Office Departments Appropriation Act, fiscal year 1940 (Public Law No. 65, 76th Cong.; U. S. C., title 39, sec. 321b), the results of such research and studies in such form as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

"Sec. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data and the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and the agencies of State or local governments, and educational institutions and other nonprofit organizations, and to make grants to educational institutions and other nonprofit organizations.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title."

#### TITLE IV—FARM HOUSING

##### ASSISTANCE BY THE SECRETARY OF AGRICULTURE

Sec. 401. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, through such agency officers and employees as he may determine and subject to the terms and conditions of this title, to extend financial assistance to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and facilities incident thereto on their farms to provide them, their tenants, lessees, share croppers, and laborers, including migratory workers, with decent, safe, and sanitary living conditions as specified in this title.

(b) For the purposes of this title and the acts amended hereby, the term "farm" shall mean a parcel or parcels of land operated

as a single unit which is used for the production of one or more agricultural commodities and which customarily produces such commodities for sale and for home use of a gross annual value of not less than the value as determined by the Secretary to be equivalent to a gross annual value of \$400 in 1944. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling and related facilities adequate for himself and his family and necessary farm labor, or for the family of the operating tenant, lessee, or share cropper; (2) that he is without sufficient resources to provide the necessary housing on his own account; and (3) that he is unable to secure the credit necessary for such housing from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### LOANS FOR DWELLINGS ON ADEQUATE FARMS

Sec. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### LOANS FOR DWELLINGS ON POTENTIALLY ADEQUATE FARMS

Sec. 403. If the Secretary determines (1) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (2) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (3) that the applicant has adopted and may reasonably be expected to put into effect a plan

of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate housing on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contributions in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year, up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvement or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

##### MORATORIUM ON PAYMENTS UNDER LOANS

Sec. 404. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

##### TECHNICAL SERVICES AND ADVICE

Sec. 405. (a) In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is hereby authorized to furnish to all persons, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection and advice and information regarding rural dwellings and other farm buildings. The Secretary and the Housing and Home Finance Administrator are authorized to cooperate in research and technical studies in the rural housing field. In furnishing such services and information, the Secretary may utilize, through the Agricultural Extension Service, the facilities and services of State agencies and educational institutions.



(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCE FOR VETERANS

SEC. 406. As between eligible applicants for assistance under this title, the Secretary shall give preference to veterans (defined for the purposes of this title to mean persons who served in the military or naval forces of the United States during World War II).

#### LOCAL PUBLIC AGENCIES AND COMMITTEES TO ASSIST SECRETARY

SEC. 407. (a) Wherever a local public agency now exists or may be hereafter created which possesses authority to assist low-income persons and families outside of urban areas to obtain decent, safe, and sanitary housing and related facilities, the Secretary is authorized, and after agreement with such agency is directed, to utilize the facilities of such local public agency for the purpose of making the benefits of this title available to the eligible owners of farms (as defined in section 401) lying within the area of operation of said local public agency.

(b) Whenever the facilities of a local public agency are not utilized, the Secretary may utilize the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in the county or parish where the farm is located. In any county or parish where the facilities of a local public agency are not utilized and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedure of local public agencies and committees utilized pursuant to this section, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(c) The local public agency or committee utilized pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each application as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The local public agencies or committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The local public agencies and committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 408. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of

adequate farm housing, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwellings for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of housing constructed or improved with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such housing to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 409. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payment of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans to provide adequate housing for the purchasers of such property;

(f) utilize with respect to indebtedness arising from loans and payments made under this title all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the

Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 410. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title but not in excess of \$25,000,000 on or after July 1, 1949, an additional \$50,000,000 on or after July 1, 1950, an additional \$75,000,000 on or after July 1, 1951, and an additional \$100,000,000 on or after July 1, 1952. The notes and other obligations issued by the Secretary shall be secured by the obligations of borrowers and the secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligation of the Secretary of Agriculture issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 411. In connection with loans made pursuant to section 403, the Secretary is authorized, on or after July 1, 1949, to make commitments for contributions aggregating not more than \$500,000 per annum, and to make additional commitments on or after July 1 of each of the years 1950, 1951, and 1952 which shall require aggregate contributions of not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 412. There are hereby authorized to be appropriated to the Secretary (1) such sums as may be necessary to permit payments on notes or other obligations issued by the Secretary under section 410 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal sums due on loans made pursuant to section 403, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; and (2) such further sums as may be necessary to enable the Secretary to carry out the provisions of sections 401 to 412, inclusive, of this title.

#### TITLE V—PRIVATELY OWNED HOUSING FOR FAMILIES OF LOWER INCOME

##### PURPOSE

SEC. 501. This title is not designed to supplant or alter any of the existing systems of mortgage insurance under the National Housing Act, as amended, but is to supplement such systems by a program of direct



Federal loans at lower interest rates to meet the housing needs of lower-income families whose needs are now neglected. In providing liberalized credit to reduce the monthly cost of housing for such families, this title contemplates that the housing produced with this liberalized credit shall limit admissions to families whose incomes are below the level where they can afford to obtain housing currently made available under the FHA mortgage system or other existing aids to housing undertaken by private enterprise. The more liberal credit aids hereunder shall be combined with all proper incentives to cost reduction through the adoption of appropriate new materials, techniques and methods and through increased efficiency in production and management and the elimination of unnecessary restrictive practices by all concerned in the complex building industry.

#### HOUSING LOAN ADMINISTRATION

SEC. 502. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent unit to be known as the Housing Loan Administration with a Housing Loan Commissioner (hereafter referred to as the Commissioner) at the head thereof with the same salary as other Commissioners in the Housing and Home Finance Agency. The Housing Loan Commissioner shall carry out the functions, powers, and duties prescribed by this title. The powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

#### LOANS TO COOPERATIVES AND NONPROFIT AND LIMITED-DIVIDEND CORPORATIONS

SEC. 503. (a) For the purpose of assisting the development or acquisition of housing projects for families of lower income, the Commissioner may make loans to—

(1) mutual-ownership or cooperative housing corporations undertaking projects which will be restricted in occupancy to members of such corporation;

(2) nonprofit corporations; or

(3) limited-dividend corporations or other housing corporations and redevelopment companies restricted by Federal or State laws, regulations, or contract, so as to conform to the requirements of this title and the regulations of the Commissioner issued hereunder as to rents, charges, capital structure, rate of return, and methods of operation.

(b) Such loans shall not exceed the development or acquisition cost of such projects and shall bear interest at a rate not less than the going Federal rate of interest at the time the loan is made plus one-half of 1 percent. Such loans shall be secured in such manner as may be deemed advisable by the Commissioner and shall be repaid within a period representing the estimated period of the useful life of the property involved, but in no event to exceed 60 years.

SEC. 504. The Commissioner shall issue such regulations and retain such rights as will assure that the housing developed or acquired with the aid of loans hereunder, will serve the low-income families as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan under this title shall provide that with respect to the housing to be developed or acquired with the aid of said loan—

(a) The borrower shall fix maximum income limits for the acceptance of families for occupancy of such housing and that such maximum-income limits and all revisions thereof shall be subject to the prior approval of the Commissioner;

(b) The families accepted for occupancy of such housing shall be limited to those whose net income at the time of acceptance does not exceed five times the annual rental

or housing cost (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwelling to be occupied by such families, except that in the case of families with two or more minor dependents, such ratio shall not exceed 6 to 1. In determining the net income of families, the Administrator may also authorize the exclusion of all or any part of the income of minor members of the family other than the head of the family and his spouse. For the purposes of this subsection, a minor shall mean a person less than 21 years of age;

(c) In the case of any such housing on which construction is hereinafter initiated, the housing is to be developed in such a manner (1) that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration, and (2) that the average construction cost of the dwelling units (excluding land, demolition, and nondwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act.

#### LOAN FUNDS

SEC. 505. The Commissioner may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury, in an amount not to exceed \$500,000,000 which limit on such outstanding amount shall be increased by an additional \$500,000,000 on July 1 in each year of the years 1950, 1951, 1952, 1953, and 1954, respectively. The Commissioner may increase or decrease the rate of making loans, depending upon a finding by the President after receiving the advice of the Council of Economic Advisers, that conditions in the building industry justify such increase or decrease, but such additional loan funds shall not exceed \$250,000,000 in any one year: *Provided*, That the total notes and obligations outstanding at any one time shall not exceed \$3,000,000,000 without further authorization of Congress. The notes and other obligations issued by the Commissioner shall be secured by the obligations of borrowers and shall be repaid from the payment of principal and interest on the obligations of the borrowers. The notes and other obligations issued by the Commissioner shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued hereunder and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

SEC. 506. Any contract for loans pursuant to this title shall contain a provision requiring that the principal contractor in-

involved at the site in the construction or erection of housing shall file a certificate or certificates (at such times in the course of construction or otherwise as the Commissioner may prescribe) certifying that the laborers and mechanics employed at the site in the construction or erection of the housing involved have been paid not less than the wages prevailing in the locality for the corresponding classes of laborers and mechanics employed on construction or erection of a similar character as determined or adopted by the Commissioner prior to the beginning of construction or erection of the housing involved.

#### GENERAL PROVISIONS

SEC. 507. (a) In the performance of, and with respect to the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions by any other law, shall—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the financial transactions of the Commissioner in the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(3) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title, other than loans authorized pursuant to section 503, and all funds available for carrying out the functions of the Commissioner under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale of any project or part thereof in connection with which he has made a loan pursuant to this title. In the event of any such acquisition, the Commissioner may, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) with respect to any real property acquired and held by the Commissioner under



this title which had been subject to taxes immediately prior to its acquisition, the Commissioner shall make payments in lieu of taxes to the State or political subdivisions involved in an amount which shall approximate the taxes which would be payable upon such property in private ownership;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved.

(d) The Commissioner shall make available to eligible borrowers technical and other assistance which they may require in the initiation, development, and administration of their project.

(e) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

#### VETERANS' PREFERENCE

SEC. 508. Every contract made pursuant to this title for loans to nonprofit or limited-dividend corporations and redevelopment companies for housing for lower-income families shall require that such corporations in selecting tenants shall give preference, as among applicants eligible for occupancy of the dwelling and at the rent involved, to families of veterans and servicemen (including families of deceased veterans and servicemen), where application for admission to such housing is made not later than 5 years after the date of the approval of this act, and that as among applicants entitled to the preference provided in this subsection, first preference shall be given to families of disabled veterans whose disability is service-connected: *Provided*, That this shall not preclude a cooperative, otherwise eligible for a loan hereunder, from building and administering housing for its own veteran or non-veteran members. For the purposes of this section the term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

#### DEFINITIONS

SEC. 509. When used in this title—

(a) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with the housing and nondwelling facilities involved. The term "development cost" shall comprise the costs incurred by the borrower in such undertakings and their necessary financing (including the payment of carrying charges up to date when the project is completed and ready for occupancy), and in otherwise carrying out the development and initial occupancy of such project. Construction activity may include or be confined to the reconstruction, remodeling, or repair of existing buildings.

(b) The term "going Federal rate of interest" means, at the time a loan contract

is made, the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) then specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

(c) The term "families of lower income" shall mean families whose net annual income at the time of acceptance for occupancy of housing assisted under this title does not exceed the limits prescribed pursuant to the requirement of section 504 hereof.

#### TITLE VI—AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

SEC. 601. This title is designed to supplement and amend existing systems of mortgage insurance under the National Housing Act, as amended, and other existing Federal aids to privately financed housing, in order to bring such housing within the financial means of more of the people, including larger families. To this end the amendments provide incentives to produce more such housing at the lowest achievable capital costs by making available for such housing more liberalized financing which will reduce the monthly costs of housing.

#### TITLE II AMENDMENTS

SEC. 602. Title II of the National Housing Act, as amended, is amended as follows:

(a) Section 203 (b) (2) (D) is amended—

(1) by striking out "\$60,000" where it appears and inserting in lieu thereof "\$7,600";

(2) by inserting the following new proviso after the first proviso thereof: "*And provided further*, That with respect to single-family residences, which include more than two bedrooms, the principal obligation of the mortgage, as aforesaid, may be increased by an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom."

(b) Section 203 (b) (3) is amended by striking out in the proviso the words "twenty-five years" and inserting in lieu thereof "thirty years", and by striking out the words "thirty years" and inserting in lieu thereof "thirty-five years" and by striking out the period at the end thereof and inserting a colon and the following additional proviso: "*And provided further*, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property."

(c) Section 203 is amended by adding the following new subsection at the end thereof:

"(g) No mortgage (i) covering a dwelling which is approved for mortgage insurance prior to the beginning of construction, or (ii) having as the mortgagor the initial occupant of the dwelling, shall be eligible for insurance under this section unless the principal contractor shall provide a warranty (and be liable for any breach of such warranty of which the contractor is notified within a period of one year following the completion of the dwelling), for the benefit of the mortgagor and of subsequent owners of the dwelling, at such time and in such form as shall be prescribed by the Administrator, against structural and other defects in construction, faulty materials, or workmanship, and any violation or breach of, or noncompliance with, any specifications, covenants, or conditions set forth in any of the construction contracts, or any technical standards of construction and design prescribed or approved by the Administrator: *Provided*, That the provisions of this section shall not be applicable to mortgages the application for insurance of which has been made prior to the date of enactment of this subsection."

(d) Section 207 (c) (2) is amended—

(1) by striking out "90 per centum" and inserting in lieu thereof "95 per centum" and by striking out "95 per centum" and inserting in lieu thereof "100 per centum."

(2) by deleting from the second sentence thereof the words "forty years" and inserting in lieu thereof the words "forty-five years", and by adding at the end of that sentence the following proviso: "*Provided, however*, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property."

(e) The following new section is added at the end of title II:

"Sec. 213. With respect to mortgages insured under section 203 (b) (2) (D) which involve a mortgage with a principal obligation of not to exceed \$8,000 (except that with respect to any single family residence which includes more than two bedrooms, the principal obligation of the mortgage may be increased by an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom) on a property purchased for occupancy by a veteran of World War II and his immediate family, no premium charge shall be made to any such veteran hereafter for the insurance of such mortgages under this title, but in the case of such mortgages, the premium that would otherwise be chargeable shall be paid into the insurance fund by the Administrator out of funds which are hereby authorized to be appropriated out of the Treasury in such amounts as may be necessary for such purposes."

#### TITLE VI AMENDMENTS

SEC. 603. Title VI of the National Housing Act, as amended, is hereby amended as follows:

(a) Section 603 (a) is amended by striking out in the part of the second proviso referring to mortgage insurance under section 608 "March 31, 1949" and inserting in lieu thereof "March 31, 1950."

(b) Section 608 (3) is amended by adding the following proviso at the end of the second sentence thereof: "*Provided*, That the period of amortization shall not exceed the period of the estimated useful life of the property, but in no event more than 45 years."

(c) Section 609 is amended—

(1) by adding the following sentence at the end of subsection (a) thereof: "To achieve these objectives of modern mass production, the Administrator shall exercise his powers under the National Housing Act, as amended, in a manner which will assure uniformity and standardization in the requirements for mortgage insurance (except for variations required by climatic or other differences of geographical areas); and enable the necessary accumulation of a balanced inventory for mass production."

(2) by adding the following proviso at the end of subsection (c) thereof: *Provided*, That in order to assure the continued availability of the proceeds of the loan until its scheduled maturity of 1 year, the Administrator may consent, at the time the loan is made, to the later assignment of additional purchase contracts in substitution for other purchase contracts or for the proceeds of the sales of houses delivered thereunder."

(d) Section 611 (b) (3) is amended—

(1) by striking out "80 percent" from subparagraph (A) thereof and inserting in lieu thereof "90 percent"; and

(2) by striking out of subparagraph (B) thereof "\$6,000 or 80 percent of the valuation, whichever is less, with respect to each single-family dwelling," and inserting in lieu thereof "\$8,000 or 90 percent of the valuation, whichever is less, with respect to a single-family dwelling which includes two or less bedrooms, plus an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom."

(3) by adding at the end of said section 611 the following new subsection:

"(e) In order to facilitate the marketing of mortgages insured under this section and to accomplish the purpose hereof to improve financing operations on large-scale construction or erection operations, the



mortgage insured hereunder shall cover, during the construction period, all the dwellings and properties involved: *Provided*, That upon the completing of such construction, the mortgage covering such properties may be replaced by individual mortgages covering each individual dwelling and property involved; such individual mortgages may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the property at the time."

#### SERVICEMEN'S READJUSTMENT ACT AMENDMENT

SEC. 604. Section 500 of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended by adding at the end of subparagraph (b) the following proviso: "*And provided further*, That in the case of real-estate loans on housing the loan shall be payable during a period which will not exceed the estimated period of the useful life of the property (but in no event to exceed 30 years), and no loans on new housing construction started after the date of enactment of this amendment shall be guaranteed hereunder, unless the mortgagee certifies that the housing with respect to which the mortgage was made meets the construction standards prescribed for insurance of mortgages on the same class of housing under the National Housing Act, as amended."

SEC. 605. (a) Paragraph (E) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, is amended by adding the following proviso at the end thereof: "*Provided, however*, That in order to avoid further increases in interest rates on new construction of housing and to provide for necessary strengthening of the secondary market on mortgages on such housing, this second limitation on the percentage of mortgages which can be purchased by the association from any one mortgagee shall not be applicable with respect to such mortgages on new construction as are insured under the National Housing Act, as amended, or guaranteed as insured under the Servicemen's Readjustment Act of 1944, as amended, after the date of the enactment hereof."

(b) Section 301 (a) of the National Housing Act, as amended, is amended by adding the following subparagraphs at the end thereof:

"(3) to utilize its powers to purchase insured or guaranteed mortgages, as aforesaid, with special emphasis on providing a market for mortgages with longer maturities and lower interest rates in order to encourage necessary reductions in the monthly costs of housing.

"(4) to make real-estate loans which are accepted for insurance under the provisions of the second proviso of paragraph (2) of section 207 (c) of this act."

#### TITLE VII—MISCELLANEOUS PROVISIONS ADVISORY COMMITTEES

SEC. 701. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18, United States Code.

#### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 702. (a) The last sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in sec. 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator

in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in sec. 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than 18 months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

#### CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 703. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1949, and prior to January 1, 1950, (b) the project is or can

become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project in the States makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project.

#### NATIONAL HOUSING COUNCIL

SEC. 704. The Secretary of Labor or his designee shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

Amendments of the Government Corporations Appropriations Act, 1948, and the Government Corporations Appropriations Act, 1949.

SEC. 705. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriations Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriations Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriations Act, 1949, is hereby repealed.

#### CENSUS OF HOUSING

SEC. 706. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling structures and dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### ACT CONTROLLING

SEC. 707. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

#### SEPARABILITY

SEC. 708. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its



operation to the provisions of this act, or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. PATMAN (interrupting the reading of the amendment). Mr. Chairman, it is my understanding that copies of this amendment are available now. Therefore, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. SHAFER. I still object, Mr. Chairman.

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that the amendment is so long and that copies of it are available, I renew the request that further reading of the amendment be dispensed with.

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, is it not true that about 30 Members of the House have introduced bills similar in nature to the amendment that is now being read?

Mr. SPENCE. Yes, I think about 30 Members have introduced such bills.

Mr. SHAFER. I do not care if there are 150, I still object.

Mr. SPENCE (interrupting the reading of the amendment). Mr. Chairman, it is obvious that the reading of the amendment accomplishes nothing except to consume time. A filibuster is evidence of weakness. I again renew my request that the further reading of the amendment be dispensed with.

Mr. MARCANTONIO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Since this amendment has been available to the Members and since its provisions are known, is not the insistence on the reading of this lengthy amendment but another method of accomplishing a filibuster?

The CHAIRMAN. The gentleman does not state a parliamentary inquiry. Is there objection to the request of the gentleman from Kentucky?

Mr. SHAFER. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

Mr. SHAFER (interrupting the reading of the amendment). Mr. Chairman, the Clerk is not reading all the words in the amendment. He is reading the amendment scientifically, and I must insist on a proper reading of the amendment.

The CHAIRMAN. The Clerk will continue reading the amendment.

Mr. PHILLIPS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Chairman, may the Committee be informed as to what page and line the Clerk is reading?

The CHAIRMAN. Page 49.

Mr. SHAFER. Already?

Mr. CANFIELD. Mr. Chairman, I hope the Clerk reads very carefully. This is the bill which ought to be approved by the House.

The CHAIRMAN. The Clerk will read.

Mr. MULTER (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that copies of this bill are now available for Members and a copy of it is set forth in full in the committee hearings before the other body, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. MULTER]?

Mr. SHAFER. Mr. Chairman, reserving the right to object, any substitute for the present bill certainly is worth reading in this House. There is no filibuster in the reading of any amendment. I object.

Mr. JAVITS (interrupting reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. SHAFER. Mr. Chairman, I object.

Mr. JAVITS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred sixteen Members are present, a quorum.

The gentlewoman from Ohio is recognized.

Mr. SHAFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHAFER. Mr. Chairman, would it be out of order for me to call attention to the fact that about three paragraphs were read on this amendment which were not contained in the original substitute?

The CHAIRMAN. The gentlewoman from Ohio has been recognized by the Chair.

Mrs. BOLTON of Ohio. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Chairman, in submitting H. R. 1883 as a substitute for H. R. 4009 I want to make it very clear that I am doing so as the alphabetical first of the group of 10 who on the 27th of last January introduced identical bills.

The date of our bills—January 27, 1949—is good proof that they are not the result of pressures from real-estate lobbies, from labor, or any other groups. They are quite definitely the result of individual conviction that the welfare of the American people, which is our prime consideration, demands the enactment of a comprehensive housing bill in this session of the Congress.

To those who are honestly troubled—and who is not?—at the financial status of the country I suggest that public housing may be a losing venture from the money angle, but it cannot help but be an abundant dividend-paying venture insofar as health, good citizenship, and a stable society is concerned.

H. R. 1883 is a well-balanced, comprehensive bill, which, while it puts great emphasis upon housing for those whose

need cannot be met by private enterprise or by the States and localities—I quote from the Republican platform—takes into consideration other groups, not least among them those who cannot finance the present high costs of building or purchasing but who can and will ultimately pay their way.

H. R. 1883 and its companion bills advocates the authorization of about \$300,000,000 annually to construct a total of 810,000 housing units as against \$400,000,000 to construct 1,050,000 units in the original committee bill.

H. R. 1883 initiated the principle of the accelerator and decelerator clause accepted by the committees of both Houses, giving the President power, upon the advice of the Economic Council, to contract sharply the low-rent housing program if conditions in the building industry and the general economy of the country require it.

H. R. 1883 contains the protection that low-rent housing with Federal aid will come into an area only if the local authority desires it and will manage it, and if local needs make it necessary. It also emphasizes and increases the scope of private industry by its loan provisions, thereby setting up a far more balanced program than is contained in any of the other bills at hand.

It is my understanding that all but two of the major aspects of this bill have now been adopted or will be adopted during the course of the debate so that even though this effort to substitute our bill as such is not successful, we shall be voting in almost all particulars with two major exceptions.

The principle one of these is a unique program for privately owned rental housing for lower middle income families, who constitute 20 percent of the almost 40,000,000 families in the United States and for whom nothing has as yet been suggested. Ineligible for public housing, they cannot afford the private housing now offered for sale or rent. Since we introduced our bill 22 Members have introduced bills very similar to our title V. Under H. R. 1883 a beginning of 350,000 plus units is practicable at rentals or prices fully within the capacity of the family income range of \$3,000 a year.

Believing as we do that a balanced program is necessary if our American system of life is to be maintained, our bill contains encouragement for a maximum amount of private construction by the liberalization of titles II, III, and VI of the Federal Housing Act.

Mr. Chairman, there are available at the desk copies of the bill and of a comprehensive summary of H. R. 1883 and its companion measures which I include at this point that will give you at a glance the résumé of the contents of the various titles. You will see at once the balance that is set up, which is the reason for our action in submitting H. R. 1883 as a substitute for H. R. 4009, which, though it contains major elements of H. R. 1883, does not present certain features which make for balance—important if the whole balance of our American way of life is to be maintained.

Mr. Chairman, certain of the cosponsors of this bill will ask for recognition



in order to go into various details of H. R. 1883 and to answer such questions as may be asked. I am asking favorable consideration of the substitution of H. R. 1883 after the enacting clause.

**SUMMARY OF COMPREHENSIVE HOUSING BILL  
SPONSORED BY TEN REPUBLICAN MEMBERS**

Following is a summary of the comprehensive housing bill containing titles for urban development, redevelopment, and slum clearance, low-rent public housing, housing research, farm housing, privately owned housing for families of lower income, and amendments to existing aids to privately financed housing, introduced by the following Republican Members January 27, 1949: Representatives FRANCES P. BOLTON, Ohio; CLIFFORD P. CASE, New Jersey; GORDON CANFIELD, New Jersey; T. MILLET HAND, New Jersey; JACOB K. JAVITS, New York; KENNETH B. KEATING, New York; JOHN DAVIS LODGE, Connecticut; WILLIAM L. PFEIFFER, New York; R. WALTER RIEHLMAN, New York; and THOR TOLLEFSON, Washington. A summary of the bill follows:

**Declaration of policy:** Establishes a national housing policy with the ultimate goal of a decent home for every American family.

**Title I. Urban development, redevelopment, and slum clearance:** Loans are provided communities to assist them in clearing blighted areas by assembly, clearance, preparation, and sale or lease of land for redevelopment. A total of loans of \$1,000,000,000 is authorized over 5 years. Capital grants totaling \$500,000,000 over 5 years are also authorized to enable the communities to make redeveloped land available at its fair value by absorbing some of the costs of redevelopment. The Federal grant can amount to a maximum of two-thirds of the project's cost to the community; the community supplying at least one-third of the cost. In order to participate in this program communities must demonstrate that they have made an active effort to modernize building codes.

**Title II. Low-rent public housing:** Provision is made for the construction by State, county, or local housing authorities of a total of 810,000 public low-rent housing units to be built over 6 years. The annual construction rate of 135,000 units may be increased to 200,000 or decreased to 50,000, upon a determination by the President with the advice of the Council of Economic Advisers that conditions in the building industry and the national economy justify such an increase or decrease.

The upper-rental limits for admission to such low-rent housing are at least 20 percent below the lowest rents required to live in decent private housing. The bonds issued by the local authorities participating in the program remain tax exempt. Contributions of \$85,000,000 are authorized for the first year and increased during each of the succeeding 4 years to the annual rate of \$308,000,000 maximum annual contributions for 40 years.

**Title III. Housing research:** Directs the Housing and Home Finance Administration to undertake a program of research to develop and promote the use of new techniques and materials to achieve lower building costs. Authorizes grants to educational institutions and other nonprofit organizations for research.

**Title IV. Farm housing:** Permits loans to adequate farms with earning capacity to carry interest and amortization charges but unable to get private financing to construct, improve, or repair housing. For farms which through improvement are potentially self-sustaining, a program of loans and grants is provided. This title is administered by the Secretary of Agriculture.

**Title V. Privately owned housing for families of lower income:** Provides a program of direct Government loans to cooperatives,

limited dividend and redevelopment companies and nonprofit corporations for constructing low-rent housing units for families with incomes too low to afford private housing and too high to occupy public housing. Lower rents would be achieved through use of the going Federal interest rate and an extended period of amortization. Five hundred million dollars of loan funds are authorized for each of 6 years to enable an estimated total of 360,000 units to be built.

**Title VI. Amendments to existing aids to privately financed housing:** Liberalizes the provisions of title II and title VI of the National Housing Act by permitting increased maximum mortgage limits, increased percentage guaranty, and extended amortiza-

tion. Title VI is extended until March 31, 1950. The Servicemen's Readjustment Act is also amended to permit loans for 30 years. The 50 percent limit on sale of mortgages on the secondary market imposed by the Housing Act of 1948 is lifted. New limitations are to be set by regulation of the RFC.

**Title VII. Miscellaneous provisions:** This title provides for a census of housing in conjunction with the regular decennial censuses. It also permits conversion of State low-rent or veterans' housing projects to assistance provided by title II. In addition, there are the regular provisions, on separability.

A comparison between the administration bill, the Senate bill, and the House bill introduced by the members mentioned previously follows:

	H. R. 4009 <sup>1</sup> as reported by Banking and Currency	House bill of Republicans	S. 1070 (Senate bill)
Slum clearance.....	Identical.....	Identical.....	Identical.....
Number of public housing units.....	1,050,000.....	810,000.....	810,000.....
Duration of program.....	7 years.....	6 years.....	6 years.....
Maximum rate of construction.....	250,000.....	200,000.....	200,000.....
Minimum rate of construction.....	50,000.....	50,000.....	50,000.....
Maximum possible annual cost after 4 years.....	\$400,000,000.....	\$308,000,000.....	\$308,000,000.....
Housing research.....	Largely identical.....	Largely identical.....	Largely identical.....
Farm housing.....	\$250,000,000 in loans and \$5,000,000 in grants for self-sufficient and potentially self-sufficient farms. \$12,500,000 in grants for hopelessly inadequate farms.	Same..... No so-called out-house provision for inadequate farms.	Same..... \$25,000,000 in grants for hopelessly inadequate farms.
Direct loans for lower middle income housing.....	No.....	Yes.....	No.....
Private financing aids (improvements to FHA).....	No.....	Yes.....	No.....

<sup>1</sup> Provision for 60,000 units a year over 6 years.

<sup>2</sup> Substantial improvements to aid private financing of housing construction.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON of Ohio. I yield.

Mr. JAVITS. Some questions have been raised about interlineations in the amendment which is on the Clerk's desk. The interlineations are three. First, an amendment to the National Banking Act, which will permit national banks to deal in housing-authority bonds.

Mrs. BOLTON of Ohio. Yes; that is right.

Mr. JAVITS. Second, the adoption of the formula of the other body which established dollar cost limits on public-housing construction; and

Third, the adoption of the exact number of units, 810,000, now in the bill passed by the other body, plus the same financial requirements.

I think it should be pointed out to the Committee of the Whole that the financial requirement of \$308,000,000 which is contained in this bill is the maximum allowable annual payment and represents a reduction of some \$12,000,000 from the original amount as proposed by our amendment. The difference in the amount is attributable to reduced estimates of construction costs; and the amendment respecting the National Banking Act which will result in broadening the market for housing-authority bonds and in resultant interest savings as they are underwritten locally.

Mrs. BOLTON of Ohio. Yes; this is so.

Mr. JAVITS. There is just one other point that I think should be made clear: That our purpose in offering this substitute is that we desire to get a comprehensive housing bill. The missing element in the bill now under consideration,

H. R. 4009, is some provision for the lower middle-income families. The effort which is made in our amendment to take care of the lower middle-income families, I understand, has now been taken up by over 25 Members on the other side.

We believe that this is the time to bring out a comprehensive bill. We are concerned that time will not be found in the future, after the consideration of this bill is completed, to take up a new bill to take care of the lower middle-income groups; we think that now is the time to do it.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON of Ohio. I yield.

Mr. MULTER. I notice that there are four titles in the gentleman's proposed substitute which have counterparts in H. R. 4009; so there has been no attempt to improve it with amendments as suggested in the Committee on Banking and Currency as a result of their having these four titles that have the same counterparts, but nevertheless are different in language than those in H. R. 4009 and different from the language reported out by the Senate and passed by the Senate. Is not that so?

Mrs. BOLTON of Ohio. They are somewhat different.

Mr. JAVITS. Mr. Chairman, will the gentleman yield further?

Mrs. BOLTON of Ohio. I yield gladly.

Mr. JAVITS. Let me say to the gentleman from New York that that is so, and that if members of the legislative committee feel that such text amendments should be offered to our substitute they are free to do so; but those, I



believe, the gentleman will agree, are not major and certainly can be made.

The CHAIRMAN. The time of the gentlewoman from Ohio has expired.

Mr. DAVIS of Georgia. Mr. Chairman, I offer a substitute for the amendment offered by the gentlewoman from Ohio.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. I make the point of order that one substitute is already pending.

The CHAIRMAN. This is a substitute for the original amendment offered by the gentlewoman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia as a substitute for the amendment offered by Mrs. BOLTON of Ohio—

Mr. DAVIS of Georgia. Mr. Chairman, I ask unanimous consent that further reading of the substitute be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. BUCHANAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUCHANAN. What is the substitute?

Mr. DAVIS of Georgia. Mr. Chairman, this is the bill H. R. 5085 with title II stricken out, the title against which the point of order was sustained a few minutes ago.

Mr. BUCHANAN. In other words, it is the same bill without title II.

Mr. DAVIS of Georgia. This is the same bill with title II stricken out and the subsequent titles renumbered.

Mr. MULTER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MULTER. Mr. Chairman, I make the point of order that this substitute is subject to the same point of order that was sustained with regard to the substitute originally offered by the gentleman from Georgia in that the language in subdivision (m) on page 25 beginning in line 10 and continuing through line 21, is an amendment of the Internal Revenue Code and not germane to the bill.

The CHAIRMAN. The Chair is ready to rule.

On page 20 of the Bolton amendment is a tax-exemption provision. Essentially the same provision is contained on page 25 of the substitute offered by the gentleman from Georgia.

In view of the fact that the time has now elapsed for the urging of a point of order against the Bolton amendment, the Chair overrules the point of order made by the gentleman from New York [Mr. MULTER].

Mr. DAVIS of Georgia. Mr. Chairman, I feel that the provisions of the bill H. R. 5085 are of sufficient merit that I should again make an effort to bring it to the attention of the committee, giving the committee an opportunity to vote upon it. I have now stricken from my amendment title II,

the provision for low-rent housing construction.

May I say that if the committee sees fit to adopt this substitute, it is my purpose to offer as a separate bill title II of this amendment to provide low-rent housing. That is the title of the bill which provides for the freezing of the local tax assessment for a period of 10 years at the rate existing before the improvements were made and also providing for the 10 percent depreciation per annum to be given as a credit to the taxpayer on his Federal income tax. If the substitute is adopted without this provision in it then I propose to offer it as a separate bill and will undertake to have it passed as a separate matter.

Mr. Chairman, at the time my 10 minutes expired when I had the floor a few minutes ago, I was explaining that part of H. R. 5085, my amendment, which deals with the veterans cooperatives and which was contained in the bill known last year as the Veterans Homestead Act. That title provides for the formation of veterans cooperatives for the purpose of building rental units to be occupied by veterans and for the purpose of building dwelling units to be purchased by veterans. It provides that the maximum cost per unit shall be \$10,000 and that the sum of \$250,000,000 is authorized to be appropriated, to be administered by the Veterans' Administration to finance the operation of these cooperatives.

It also provides that if a veteran decides to purchase one of these dwellings, he may borrow 100 percent of the purchase price up to \$10,000 and may repay it over a period of 32 years. The rental units may be financed by the cooperative and it is paid for over a maximum period of 40 years.

The title also provides that this \$250,000,000 involved in the amendment is merely authorized and will have to be appropriated. In other words, every dollar that is provided to be used in this bill will have to be appropriated. Thus the Appropriations Committees of the Congress will have the right to review the expenditure of every dollar that the bill provides.

In addition to that, there is a section which provides for housing research, and in the amendment the housing research is placed in the Department of Commerce, which, in my opinion, provides a much more impartial research than would be obtained by having the research provision under the same jurisdiction as the slum clearance, the low-rent housing, and public housing, and all these other items that are provided in H. R. 4009.

There is also in this bill a title which provides farm assistance for the erection of dwellings, barns, and equipment, for the repair and rehabilitation of existing farmhouses, barns, and buildings. It also provides that the \$400,000,000 provided for is merely authorized in this bill, and such money as is expended must be appropriated and must go through the Committee on Appropriations and must be passed by each House of Congress.

The last title in this bill provides for the disposition and the sale for cash of the housing which is known as Lanham War Housing. That is to be disposed of

immediately and the proceeds of these sales also will be made available for slum-clearance purposes.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DAVIS of Georgia. With reference to the disposition of the war housing, this title deals with the permanent housing accommodations constructed under the so-called Lanham Act, Public Law 849, Seventy-sixth Congress, as amended, and further amendments. The bulk of the housing was constructed under the so-called Lanham Act and is referred to as Lanham Act Permanent Housing. The job of constructing this housing was assigned to the Federal Works Administrator, but was transferred to the Federal Public Housing Agency pursuant to an Executive order. According to a 1947 report of the Federal Public Housing Association the Government constructed approximately 78,113 permanent buildings, and of these 30,783 were designed for single-family occupancy, 35,000 designed for two-family occupancy, and the remaining 12,000-plus were designed for occupancy by more than two families. These 78,000 buildings provided permanent housing accommodations for approximately 166,000 families. The buildings constructed for one and two families present no disposition problem. They can and should be sold for individual-owner use. The so-called multifamily buildings contain an average of 5.3 dwelling units per building, and will prove attractive for purchase by individuals or by a few families joining in cooperative ownership of the building.

According to the figures furnished by the public housing authority the development cost of those permanent-housing units was approximately \$743,000,000, almost three-quarters of a billion. This development cost includes the site and the development of the project, and the average cost was approximately \$4,461. The cost of operation, maintenance and expense are met out of rents from income from the properties, and according to the annual report of the National Housing Agency for 1945, the net income after such expenses for that type of dwelling, averages about \$13 per month per unit. It is assumed that these figures would apply to the 30,000-odd units reported in the later tabulations.

This bill provides for the immediate sale of these houses for cash. It gives the veterans preference, and this cash is then to be used in the further financing of slum-clearance projects. Again, I want to say that, this slum-clearance provision calls for the expenditure of \$350,000,000, not more than 20 percent of which can be expended in any one year and not more than 10 percent of which can be expended in any one State. The program will run for 5 years, and it will give us an opportunity to try out this



real slum-clearance program on the basis of local administration and on such a basis that the Congress can at each step of the proceedings and in any one year of the program review it and ascertain whether or not there are any flaws in it and whether it can be improved, and, if it can be improved, then take such action as will bring about that improvement.

The bill as now offered contains these titles: The slum-clearance, the veterans' cooperative construction program, known as the Veterans' Homestead Act, the farm assistance program, the technical services and research program, and disposition of the Lanham housing. I submit it to you for your consideration. If you see fit to adopt it, it will then be my purpose to reintroduce title II, which is now stricken out on a point of order, and have it considered as a separate bill.

Mr. DEANE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commend my colleagues on the left side of the aisle on coming forward with a comprehensive housing bill. I recall that the two major speeches made against the bill H. R. 4009 were made by the gentleman from New York [Mr. GWINN] and the gentleman from Michigan [Mr. WOLCOTT]. Much of their argument was that the bill is socialistic.

I must point out to these two gentlemen that we Democrats are in splendid company in promoting a comprehensive housing program. I do not think my colleagues on my left are socialistic in their thinking, yet they are sponsoring almost an identical bill to H. R. 4009. Some moments ago the gentleman from New York [Mr. JAVITS] admitted that title I, title II, title III, and title IV of their bill was practically the same as H. R. 4009.

At this point, Mr. Chairman, I would compare the two bills.

**BRIEF COMPARISON OF JAVITS-BOLTON BILL WITH  
H. R. 4009**

**Title I. Slum-clearance program:**

The capital grants which represent the whole cost to the Federal Government—excluding administrative expenses—are \$500,000,000. This is the same as under H. R. 4009.

The loan fund provided, which does not represent a cost to the Federal Government, is \$1,000,000,000, the same as in H. R. 4009. The substantive provisions of this title are generally similar to those in title I of H. R. 4009.

**Title II. Low-rent housing program:**

The Republican bill authorizes construction of 800,000 new units instead of 810,000 in the reduced program proposed under H. R. 4009.

The annual contributions which represent the whole cost to the Federal Government—excluding administrative expenses—would be a maximum of \$320,000,000 per annum instead of the maximum of \$308,000,000 under H. R. 4009 as reduced.

Under the Republican bill, the cost would thus be approximately 4 percent higher than under H. R. 4009, and 10,000 less units would be authorized.

The present \$800,000,000 loan fund of PHA is increased by \$700,000,000 to \$1,-

500,000,000. This is the same as under H. R. 4009. The general provisions of this title are substantially the same as title II of H. R. 4009.

**Title III. Housing research:**

This is substantially the same as title III of H. R. 4009.

**Title IV. Farm-housing program:**

Annual contributions are limited to \$5,000,000 per year for 10 years. This is the same as under H. R. 4009.

No provision is made for grants for minor improvements to farm housing and buildings. H. R. 4009 authorizes grants of \$12,500,000 for this purpose.

Loan funds of \$250,000,000 are provided. This is the same as in H. R. 4009.

Loans are limited to the construction and improvement of "dwellings and facilities incident thereto" and loans for construction of essential farm buildings are not specifically authorized, as in H. R. 4009.

**Title V. Federal loans for middle-income housing:**

The Republican bill authorizes \$3,000,000,000 in direct Federal loans at 3 percent interest for periods of up to 60 years for construction of housing for families of lower income by cooperative and non-profit or limited dividend corporations.

No contributions or subsidies would be provided.

H. R. 4009 has no provision for this type of program.

**Title VI. Amendments to existing aids to privately financed housing:**

This title covers a variety of amendments to the FHA and GI loan programs. The subject matter of this title is generally comparable to Congressman SPENCE's bill, H. R. 1938, on which the Banking and Currency Committee has not yet held hearings.

I call to the attention of the gentleman from Michigan [Mr. WOLCOTT] and the gentleman from New York [Mr. GWINN] that if we who are sponsoring H. R. 4009 are socialistic then we are certainly in good company, when I note the names of the distinguished gentlemen who are sponsoring the bill introduced by the gentlewoman from Ohio [Mrs. BOLTON]: Mr. CASE of New Jersey, Mr. CANFIELD, Mr. HAND, Mr. KEATING, Mr. LODGE, Mr. WILLIAM L. PFEIFFER, Mr. RIEHLMAN, and Mr. TOLLEFSON.

I also noted with interest an insertion in the RECORD of January 27, 1949, by the gentleman from Massachusetts [Mr. HERTER] who said:

We believe that the housing bills being filed today in the House and the Senate by Republican Members are a constructive approach to an urgent but highly complex problem. We believe that they offer a better base for final legislation than does the administration proposal. We endorse this move on the part of our colleagues while at the same time reserving our rights with respect to some of the details pending further consideration of both measures.

This statement was signed by Mr. HERTER, Mr. NIXON, Mr. HOLMES, Mr. AUCHINCLOSS, Mr. HESELTON, Mr. JUDD, Mr. KEAN, Mr. WOLVERTON, and Mr. JONAS.

Let me repeat what I said during general debate, that I look on this housing legislation as nonpartisan and on that basis we should join our efforts in bring-

ing out a comprehensive housing bill. I am glad that up to this particular moment the thought of partisanship has not entered into the debate. We must note the vote in the other body how outstanding members of both parties supported a bill similar to H. R. 4009. When we go back into our own respective districts let us be able to say that the housing legislation was a joint effort of Democrats and Republicans. While I cannot support the amendment offered by the distinguished gentlewoman, I do commend her desire and those in her party who want better housing. I would like to say at this particular point that in a session of our Committee on Banking and Currency our chairman assured some 15 or 20 members of the committee that legislation concerning direct loans will certainly come before our committee. I want, therefore, to express my sincere appreciation and I am sure I voice the sentiment of those of us on the Democratic side in commending our friends on the left for taking this progressive, outstanding step in an effort to improve the housing conditions in our country.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. McCORMACK. I thoroughly agree with everything that the gentleman from North Carolina has said, but I take it that the gentleman's position is that without urging the defeat of the Bolton substitute amendment it should however, be rejected and then we should go ahead with the bill, both bills being in substance practically the same.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. JAVITS. I would like to ask the majority leader whether he is prepared to add to the very gracious statement that he has just made, some practical assurance with respect to consideration of a measure for this lower middle-income group of the general character which is suggested in the substitute and which so many Democratic Members have introduced.

Mr. McCORMACK. The gentleman from North Carolina said that the chairman had assured a number of the Members that they would be given hearings. I would be glad if my friend from New York would address his inquiry to the chairman, because, while I certainly would cooperate, I do not have the authority to make such a decision and would not like to interfere with the jurisdiction of others.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. DEANE] may have an additional minute so that the question I have asked may be answered.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I want to thank the gentleman from North Carolina very much for his very fine statement and for his approval of our



approach. May I now address the question I asked of the majority leader to the chairman of the committee?

Mr. SPENCE. There are a good many measures which have been presented to the committee. It is our function to have hearings upon them. There is one proposal with reference to direct loans. I cannot state the definite time that hearings will be held on them. The committee has been very busy. The committee devoted a great deal of time to the bill which is now before us. It is our purpose to give hearings to those bills when we have the opportunity and the time.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia, Judge Davis. I shall vote for it because I think it is the only bill which will really provide houses for veterans. Thus far I find that even with the present priority of Veterans in Federal houses they secure very few houses. Last year the Committee on Veterans' Affairs reported the Legion homestead bill, as amended by the committee. Judge DAVIS was one of the sponsors, and together with almost every member of our Committee on Veterans' Affairs, in all some 32 Members of the House, introduced that bill. The American Legion at its convention last autumn passed a resolution endorsing it again. It was reported out unanimously by our committee after extensive hearings. However, we failed to secure a rule for its consideration. I shall vote for this amendment offered by the gentleman from Georgia for that reason especially, and also because I like the provisions for loans to farmers and the provisions for slum clearance.

Mr. WICKERSHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. SPENCE. Mr. Chairman, I must object. An agreement has been made that the Committee shall rise at 4 o'clock and extending the gentleman's time would take us beyond that time.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield, may I say that the objection is not directed individually to the gentleman from Oklahoma, but we have an agreement to rise at 4 o'clock. Of course, if the gentleman from Oklahoma wants to wait until Monday to speak on the bill, he may then secure the additional time.

Mr. WICKERSHAM. Mr. Chairman, I appreciate the privilege of addressing the House under those conditions. I withdraw my request for additional 5 minutes at this time. I feel I am experienced in legislative matters and with the real-estate needs of this day. Some years ago I built homes. Two and a half years ago, when I went out of Congress, I started a real-estate business and continued in it about 2 years. Since I have

been back in Congress I have devoted all of my time to my congressional duties. But I do know the housing needs of today.

Just this week I asked for the papers from last Saturday's and Sunday's editions throughout this country. If all the papers were stretched end to end, eight columns wide, containing only ads of houses for sale, houses for rent, apartments for rent, and rooms for rent, they would total a distance of 6½ miles. I have the papers here from such large cities as the St. Louis Post-Dispatch, the San Diego Union, the Buffalo News, the Long Beach Press-Telegram, the Nashville Tennessean, the Portland Oregonian, the Kansas City Star, the Los Angeles Times, the Louisville Courier-Journal, the San Antonio Express, the Columbus Post Dispatch, the Miami Herald, the Pittsburgh Press, the Chicago Sunday Times, the Nevada State Journal, the Akron Beacon-Journal, the Baltimore Sun, the Florida Times of Jacksonville, the Detroit News, the Indianapolis Star, and the Cleveland Plain Dealer. I shall be delighted to show you those from your section later today.

There are as many as 60 pages of real-estate ads for sale and for rent.

In a report sent in from the city of Tulsa, Okla., last week, one-fourth of the garage apartments are for rent. There are 400 vacant houses. There are about 650 additional vacant houses for sale. From 4.8 to 12.5 percent of the apartments at this time are for rent, and there are about 1,800 houses and apartments under construction; also vacant one-family houses, 0 to 11 percent.

Six months ago conditions were not as they are today. Times have changed in the last 6 months.

If you gentlemen would do like former Secretary of State, Mr. Byrnes, and go home and get out of the shadow of these big government buildings, out of the cobwebs of all of these different administrative buildings around here, get back to the short grass, and the forks of the creek you would be just like I. You would say that the needs for the public housing bill are not as great as you think they are.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I would rather not. I am not in a yielding mood. My brother and his wife and my sister and her husband each lived two or three years, in one of these public housing projects. They paid from ten to fifty dollars a month, based on income. None of the people in those dwellings were satisfied. It seemed that jealousy existed everywhere. I saw with my own eyes where it cost \$81 to replace a \$2.70 window pane, after the appraisers had come out and looked at it on two occasions, and the carpenters had been there and the painters, with their helpers, to replace the broken pane.

Here are a few of the ads in these papers. We are obligating the next 20 Congresses for a period of 40 years, if we pass this legislation. This Congress would be comparable to the Egyptians, who in pursuit of the Israelites who were trying to escape their bondage, plunged into the Red Sea, which, because

of the wrath of God, engulfed and destroyed them. Do we, gentlemen, want to vote for legislation that will place our people in a red sea of debt through which they will have to flounder under the burden of taxation for the next 40 years, and maybe eventually destroy them?

You men were elected for 2 years, but you are voting for 40 years.

Here are just a few of the ads. Here is the St. Louis Dispatch: 310 rooms for rent, 123 apartments, 40 houses at reasonable prices and very reasonable down payments. There are 12½ pages of "for sale" ads.

Mr. BUCHANAN. At what prices?

Mr. WICKERSHAM. Twenty-five dollars and \$50. I will read them to you in just a minute.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I am still not in the yielding mood. Here is the San Diego Journal. There are eight pages of for sale ads; 43 apartments for rent. One hundred and twenty-nine apartments and 82 houses, renting for \$35 and \$40.

Mr. CANFIELD. Mr. Chairman, the gentleman has already gone a hundred miles and he refuses to yield. There are no prices indicated.

Mr. WICKERSHAM. All right. I will indicate the prices. Here are 52 rooms for rent. Sixty-eight apartments for rent at \$35 and \$40.

Here are 2½ pages of houses for sale and many apartments at \$50.

I wish to call your attention to the fact that this is only 1 day's ads in the papers.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, had come to no resolution thereon.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3082) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 44 and 45 to the above-entitled bill.







made in the other body and try to avoid any ambiguity as to the intended meaning.

When House Joint Resolution 235 was passed by the House, it provided that charters for operations in the coastwise service would be upon commitments of 4 months rather than 6 months. Amendments were made in the Senate in each instance in which the words "coastwise services" were used. The Senate substituted the words "United States continental coastwise and intercoastal services and services between continental United States ports and Alaska." It is stated in the Senate report that these amendments are technical in nature and simply to clarify the intent of the resolution. Both the report which accompanied the resolution in the House and that of the Senate committee referred to the identical 57 vessels used in the identical trades mentioned in each of the reports.

In normal commercial practice it has been customary for vessels operating primarily in the coastwise, intercoastal, and Alaska services to handle cargo or passengers or both for Canadian, Puerto Rican, Cuban, and other ports, and it is my understanding that both the House and Senate language was intended to subject such vessels to the 4-month provision mentioned in the resolution even though cargo or passengers for such ports is so handled. It is in accordance with this assumption that I join in recommending that the House concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### CALNDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### CIRCUIT AND DISTRICT JUDGES

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CELLER, BYRNE of New York, LANE, JENNINGS, and KEATING.

#### HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to es-

tablish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday the Committee agreed that title I of the bill should be considered as read.

Mr. SPENCE. Mr. Chairman, I offer an amendment, which is on the Clerk's desk.

Mr. CASE of South Dakota. Mr. Chairman, a point of order. I make a point of order in connection with the language which will be affected by the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The CHAIRMAN. The gentleman will state the point of order.

Mr. SHORT. May we have the amendment read first?

Mr. CASE of South Dakota. Well, Mr. Chairman, I do not want to lose any rights.

The CHAIRMAN. The gentleman from South Dakota will proceed to state his point of order.

Mr. CASE of South Dakota. Mr. Chairman, the point of order I make is that subparagraphs (e) and (f) of section 102 in title I constitute the appropriation of funds from the Federal Treasury, and that the Committee on Banking and Currency is without jurisdiction to report a bill carrying appropriations under clause 4, rule 21, which says that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

This is no casual point of order made as a tactical maneuver in consideration of the bill. I make this point of order because this proposes to expand and develop a device or mechanism for getting funds out of the Federal Treasury in an unprecedented degree.

The Constitution has said that no money shall be drawn from the Treasury but in consequence of appropriations made by law. It must follow that the mechanism which gets the money out of the Treasury is an appropriation.

I invite the attention of the Chairman to the fact that subparagraph (e) states:

To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively—

Within the total authorization of \$1,000,000,000.

Further that subparagraph (f) provides that—

The Secretary of the Treasury is authorized and directed—

And I call particular attention to the use of the words "and directed"—to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended—

And so forth. The way in which this particular language extends this device of giving the Secretary authority to subscribe for notes by some authority is this: It includes the words "and directed."

In other words, the Secretary of the Treasury has no alternative when the Administrator presents to him some of these securities for purchase but to purchase them. The Secretary of the Treasury is not limited to purchasing them by proceeds from the sale of bonds or securities. He is directed to purchase these notes and obligations issued by the Administrator. That means he might use funds obtained from taxes, that he might use funds obtained through the assignment of miscellaneous receipts to the Treasury, that he might use funds obtained through the proceeds of bonds.

This proposal will give to the Committee on Banking and Currency, if it should be permitted, authority which the Committee on Appropriations does not have, for in the reporting of an appropriation bill for a fiscal year, any appropriation beyond the fiscal year would be held out of order. Here this committee is reporting a bill which proposes to make mandatory extractions from the Treasury during a period of 4 years.

In considering this matter I have looked up other uses of this device of having the Secretary subscribe to issues of securities, but in no instance have I been able to find where we have directed a Secretary to do so. We have authorized him, but we have never directed him. I have in my hand here supplement 1 of the 1946 edition of the United States Code which in title XV, paragraph 606, sets forth the provision in the Reconstruction Finance Corporation Act of June 30, 1947. In that act the Reconstruction Finance Corporation was authorized to issue to the Secretary of the Treasury its notes, debentures, bonds, and so forth; but when it comes to what the Secretary of the Treasury may do it states:

The Secretary of the Treasury is authorized to purchase any obligations—

But it does not say that he is directed to do so; in other words, the Secretary has some discretion on RFC securities; it is not mandatory that money be extracted from the Treasury.

I also have here title 42 of the Code which gives the Housing Act of 1937, as amended, and I invite the Chair's attention to that particularly because we are dealing here with a proposed extension of the housing program. In subparagraph (c) of paragraph 1420, title



XLII, United States Code, the following language is carried:

The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise which it may sell to obtain funds for the purposes of this act.

It then states that the obligations shall be unconditionally guaranteed but provides for congressional review through specific appropriations in these words:

In the event that the Authority shall be unable to make any such payment upon demand when due, payment shall be made by the Secretary of the Treasury on money authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated.

It does not direct the Secretary of the Treasury to procure them. Now, going further, in subparagraph (d) the language of the Housing Act, as amended, reads:

The Secretary of the Treasury is likewise authorized to purchase any such obligations.

But it does not contain the words that are included here in subparagraph (f) where the pending bill states:

The Secretary of the Treasury is authorized and directed to purchase any such notes.

Mr. Chairman, this is not, as I said earlier, a casual point of order; we are here dealing with the fundamental power of the Congress to control appropriations. No such device has ever before, so far as I can find out, been presented to the Congress for getting money in the guise of a legislative bill without its having been considered by the Committee on Appropriations. It is a mandatory extraction of funds from the public Treasury, and, consequently, constitutes an appropriation and is beyond the authority or the jurisdiction of the Committee on Banking and Currency to report in this bill.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SPENCE. I do, if the Chair please.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SPENCE. Mr. Chairman, the raising of funds by public debt transaction has been frequently authorized by the Congress: The Export-Import Bank raises funds by that method; the Bretton Woods Agreement, in my recollection, is carried out by that method; the British loan was financed by that method, and the Federal Deposit Insurance Corporation was also financed by that method. It does not seem to me that this is a seasonable objection. This has been the policy of the Congress for years.

Mr. Chairman, this is not raising money to be appropriated for the purposes that ordinary appropriation bills carry. All of this money is to be used as loans.

The gentleman says that in other acts the Secretary of the Treasury is "authorized" but not "directed." I contend that the meaning of "authorized" and "directed" in this act is absolutely the same.

Do you think when you authorize the Secretary of the Treasury to raise funds

to carry out a great public purpose it is in his discretion whether he shall raise those funds and that that shall depend on the discretion of the Secretary of the Treasury? I say "authorized" in this sense means "directed." It could not mean anything else, otherwise you would be delegating to an officer of the Government entire discretion as to whether or not great national acts should be carried out and the purposes of Congress should be subserved.

Mr. CASE of South Dakota. Mr. Chairman, in most of the acts which the gentleman has suggested, points of order were waived, and I refer to Bretton Woods and some of the other bills. But as to the particular point here in issue, the question whether the words "and directed" have any meaning, if they do not have any meaning why are they there? The present housing act merely authorizes the Secretary of the Treasury to purchase. It does not say "and directed." The very inclusion of the words "and directed" is evidence of the fact they have a special meaning. They create a mandatory extraction of funds from the Public Treasury.

Mr. SPENCE. Mr. Chairman, I still contend unless you would make our acts a nullity "authorized" and "directed" have exactly the same meaning when applied to a public official charged with carrying out a great national act. I do not think there can be any reasonable construction that would hold otherwise.

Mr. McCORMACK. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Massachusetts on the point of order.

Mr. McCORMACK. Mr. Chairman, I agree with my friend who has raised the point of order that this is not a casual one, but, on the contrary, is a very sincere one. It presents a new question from a legislative angle to be passed upon in the direct question raised by the point of order.

The gentleman from South Dakota has referred to the Constitution. The Constitution says:

No money shall be drawn from the Treasury but in consequence of appropriations made by law.

The word "appropriations" is used.

The rule referred to, clause 4, rule 21, says:

No bill or resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

You will note the word "appropriations" is used. Now, let us see what "appropriations" means.

I have before me Funk & Wagnalls Standard Dictionary and "appropriations" is defined as follows:

To set apart for a particular use. To take for one's own use.

The provisions of this bill are not taking for one's own use, because this is a loan designed purely for loan purposes. It is not a definite appropriation. It is giving authority to utilize for loan purposes and the money comes back into the Treasury of the United States with interest.

Again, the word "appropriations" is defined:

Something, as money, appropriated—

I call particular attention to those words "something, as money, appropriated"—or set apart, as by a legislature, for a special use.

I repeat "something, as money."

The provision in paragraph (f) that my friend has raised a point of order against relates entirely to loans. As we read section 102 of title I it starts out with loans. Throughout the bill, a number of times, there is reference to loans.

Paragraph (e) says:

To obtain funds for loans under this title.

It is a loan.

The meat of the two paragraphs, as I see it, is this:

Paragraph (f), line 23, page 8, says:

The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations.

It seems to me that that is the meat. Certainly, the language there does not amount to an appropriation. It is entirely for loan purposes.

I think it is reasonable to submit to the Chairman that in order for the House to carry out its will that the rules should be construed from a liberal angle, a broad angle, rather than from a narrow angle. Certainly, the word "appropriations" is used in the Constitution. And, I think it is the rule of the House that must govern, and that is what the Chair has to pass upon, because the Congress could determine by proper legislation what the word "appropriation" means as contained in the Constitution itself. So, it is a rule that I respectfully submit the Chairman has got to construe in relation to the provisions of the bill to which the point of order has been addressed, and that specifically says, as I have referred to before, "that no appropriations," and so forth, which refers to appropriations entirely. There is nothing said about loans. Now, if the House intended that it should apply to provisions of this kind, instead of saying, "No bill or joint resolution carrying appropriations shall be reported" the House might have said, "No bill or joint resolution carrying appropriations or having directly or indirectly the effect." There is a difference between cause and effect. Certainly, it applies to this case. The House, in its wisdom, in adopting this rule, confined it to appropriations made to an agency of Government for use by that agency in carrying out what the Congress considered to be essentially the function of the Government during the coming fiscal year or during the period for which the appropriation has been made.

I respectfully submit that it must call for an appropriation out of the general



funds of the Treasury in order to violate the rules of the House. This permits the use of money raised by the sale of bonds under the Second Liberty Bond Act for loans to these public agencies, such loans to be repaid with interest.

I respectfully submit, complimenting my friend for having raised the point of order—and certainly, it is not a dilatory one, nor a casual one, one that demands respect—that the point of order does not lie against the language contained in the pending bill.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has discussed the point—the difference between the word “authorized” and “directed.” Does not the gentleman realize that he is “authorized” to appear on the floor and “authorized” to make statements? The gentleman is not “directed” to. Now, following further, the Committee on Appropriations of this House is “authorized” to do certain things, but the gentleman must realize that the Committee on Appropriations is not “directed” to do certain things. There is a real difference, a constitutional difference between the words “authorized” and “directed.” The gentleman is “authorized” to walk down the street and “authorized” to do many things. But the gentleman would fight for his right not to be “directed” to do what he is “authorized” to do. The gentleman’s argument is far fetched. This is a serious situation.

Mr. McCORMACK. There is nothing the gentleman has said that I can disagree with except that everything the gentleman has said has no application to the matter pending now. The basic question here is whether or not this is an appropriation within the meaning of the rules or money that is going to be utilized for loan purposes and recovered back into the General Treasury. So the gentleman’s observations, as I see it, respecting the gentleman as I do, have no application at all to the basic and pertinent question presented to the Chair by the point of order raised by the gentleman from South Dakota.

Mr. CHURCH. There is the real difference between being “authorized” for the next 40 years to do certain things, and being “directed” to do them. It is an entirely different thing when you “direct” the Treasury to do certain things for the next 40 years. There is a real application here.

Mr. McCORMACK. I still think the gentleman is not addressing himself to the pertinent and fundamental point raised by the point of order. The Secretary is “authorized and directed” to make loans. That is what this relates to, the loans.

Mr. PHILLIPS of California. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from California on the point of order.

Mr. PHILLIPS of California. The question has to do with the meaning of

“authorized and directed.” Within the past 6 weeks I have had a bill before one of the major committees of this House. The county counsel of my home county raised the question of whether the wording should be “authorized” or “authorized and directed” in four different places in the bill. It was taken up with the attorneys for the Interior Department. The attorneys recognized the distinction between “authorized” and “authorized and directed,” and agreed upon the inclusion in certain instances and not in others. There is a recognized distinction, Mr. Chairman.

The CHAIRMAN (Mr. Boggs of Louisiana). The Chair is prepared to rule.

The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

As the Chair sees the point of order, the issue involved turns on the meaning of the word “appropriation.” “Appropriation,” in its usual and customary interpretation, means taking money out of the Treasury by appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

The CHAIRMAN. The Chair can make a distinction between the general funds of the Treasury and money raised for a specific purpose by the issuance of securities. That is the point involved here.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 8, line 5 strike out the words “not to exceed in any

fiscal year an additional” and insert the words “additional amounts aggregating not more than.”

Mr. FARRINGTON. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Chairman, I would not intrude on your valuable time at this point in your deliberations if I did not feel it was my duty to call to your attention a situation which, in the opinion of the people of Hawaii, whom I represent, is little short of desperate.

I returned last night from Honolulu. I spent Thursday, Friday, Saturday, and Sunday of last week in Honolulu in order to inform myself fully on the results of the strike of longshoremen that is now in its fifty-ninth day. I saw most of the officials concerned with dealing with this problem and conferred with many representative citizens as well as the principals in the dispute that brought about the strike.

The interruption of shipping that has resulted from this strike has brought to Hawaii all of the effects of a general strike.

We are faced with complete strangulation.

Not only is the entire economic life of the Territory of Hawaii undergoing a process of paralysis, but the citizens of the Territory, more than one-half million Americans, are possessed with mixed feelings of fear, anxiety, and despair that in many instances have brought individuals and some groups almost to the point of panic. The fact that no serious incident has developed as a result of this feeling is only the result of the unusual patience and discipline that normally marks the attitude of these people toward their Government.

The Governor of the Territory has established an Emergency Food Committee. While the arrangements made by this committee for the shipment of essential food and medical supplies will prevent actual starvation and suffering, the fact remains that it is so inadequate that it can only serve the purposes of the immediate present.

The committee arranged for the immediate shipment on naval vessels of 6,000 weight tons of cattle and poultry feeds and 9,000 tons of essential human foods.

This only met an immediate emergency involving a heavy drop in the supply of dairy products and the threatened destruction of poultry, as well as the supply of foodstuffs urgently needed by the people of the islands.

The committee has arranged for the operation of a so-called relief ship that will make 1 trip every 3 weeks, bringing with it slightly less than 11,000 tons of essential feeds and foodstuffs. The committee feels that at least 2 additional ships are needed just to sustain an adequate program of relief alone.



The normal needs of the Territory are met by the arrival of at least three ships a week.

And this arrangement does not contemplate the movement of any of the products of the Territory to the States and specifically provides that on its return to the States the so-called relief ship shall carry molasses as ballast.

This means imports can be sustained at only about one-ninth of normal and that there will be no exports whatsoever.

It should be self-apparent that the Territory cannot possibly continue to live under this arrangement.

It shows the dependence of Hawaii on surface ocean shipping is so complete that interruptions in this service, no matter what their origin or cause, are intolerable.

These interruptions in shipping service are worse than anything that can happen in the States as a result of stoppage of railroad service, as we are completely without any alternative.

These interruptions must be stopped.

Certainly there are other means to meet the issues, the disputes, that arise and will continue to arise between management and labor in this segment of our industry without resort to the paralyzing action that comes of a strike such as the present one.

The strike has aggravated unemployment in Hawaii where it is a point of very grave concern. Unemployment increased from May 1 to June 23 by 5,050, bringing the total number in the Territory to 21,050.

The CHAIRMAN. The time of the gentleman from Hawaii has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

Mr. FARRINGTON. The number of unemployed of the total labor forces of the Territory is now 11.2 percent, in contrast with the national average of 3.5 percent.

Unemployment compensation claims increased in May to an all time high and it is estimated that the volume for June will be 40 percent greater.

Unemployment compensation claims and servicemen's readjustment allowances totaled half a million dollars as compared with a total of less than three million for the entire year of 1948.

On the contrary, the price of living has risen and many essential items are in short supply.

Some business firms are reducing their personnel. Others are reducing working hours and still others are reducing wages.

The returns on a poll conducted by the Chamber of Commerce of Honolulu of 1,650 business firms showed approximately 20 percent of the firms had reduced the number of hours worked per week and a similar percentage had reduced wages between 5 and 50 percent.

There has been a sharp decline in business. The small merchants in partic-

ular are paying a heavy penalty and some of them are threatened with the entire loss of their business.

The shortage of warehouse space has compelled one of the largest sugar plantations to discontinue the harvesting and grinding of cane. Similar situations face the others.

The production of canned pineapple is threatened by the shortage of tin plate.

The tourist trade is off 35 percent.

The loss of business has run into the millions of dollars. Some place this figure at \$12,000,000 but probably it will be infinitely greater than this when the ultimate cost has been counted.

The resulting situation is intolerable. The penalty that is being paid by a whole people for this dispute is beyond anything they should be expected to bear.

From the very outset I have contended that the Federal Government was morally obligated to take aggressive steps to assert its authority to bring about a solution of this problem. The Federal Government retains complete control over both the executive and judicial branches of the Territory and limits our representation in Congress and for this reason alone, if for no other, the people of Hawaii feel that action should be taken to protect them. The refusal of the Government on the one hand to cope aggressively with the problem, and the other, to deny us the authority and the means to do it ourselves is just not fair.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. SHORT. It has been my rare privilege to be the recipient of the generous hospitality of the Delegate from Hawaii. I know the grave situation that prevails out in those islands. I wonder why the President under existing law, the Taft-Hartley law, does not take some action, because he can do it.

Mr. FARRINGTON. Mr. Chairman, I am not here to suggest what action should be taken. I have already offered two bills to deal with this problem, and I am presenting a third today.

Three investigations have been requested.

One committee was appointed for this purpose and decided against proceeding any farther.

And still no effective means has been found to deal with this problem.

I believe that it is the duty of Congress to undertake immediately an inquiry into this problem in order to determine whether adequate steps have been taken by the executive branch of the Government to cope with it and, if new legislation is needed for the purpose to take the steps necessary to bring about its consideration and enactment immediately.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. FARRINGTON. I yield.

Mr. KEEFE. It is a fact, is it not, that we have spent over \$1,000,000,000 to fly over the Russian blockade, to carry supplies into Berlin to the people who were our former enemies; yet here is a situation in Hawaii where our own people are effectively blockaded from contact with

the mainland, and devastating destruction to the economy of Hawaii has taken place, but our own country seems unable to deal with the situation to provide even the bare necessities to maintain the business and life of Hawaii. It is indeed a great tragedy with which the Congress ought to deal.

Mr. FARRINGTON. I appreciate the gentleman's interest.

The CHAIRMAN. The time of the Delegate from Hawaii has expired.

Mr. SPENCE. Mr. Chairman, we have important business to transact, and I shall insist that there be no extensions of time beyond the 5-minute period from now on. I did not object to the gentleman's proceeding for extra time, because he had a problem to present to the House. I want to expedite the consideration of this bill; I want to do everything I can to subserve that end.

Mr. KARSTEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN. Mr. Chairman, the district I have the honor to represent lies in the heart of one of this Nation's great metropolitan centers. The St. Louis metropolitan area had a population of nearly a million and a half when the 1940 census was taken. The city itself, at that time, had a population of well over 800,000. Without taking into account the remarkable growth it has experienced in the last decade, St. Louis ranked as the eighth largest city in the Nation.

This great city and its environs has much to gain from enactment of the legislation we now have before us. Like every other city, large or small, St. Louis faces a desperate housing situation. With more than a quarter million occupied dwelling units, it still has about 33,000 dwellings served by outside privies. Like every other city, St. Louis is struggling under the back-breaking burden imposed by its obsolete and deteriorating blighted areas. Its low-income families, like those in every community, cannot find adequate housing within their means.

St. Louis does not turn first to others for solutions to its problems. Like many another city, St. Louis has sought to find solutions to its problems at home. Under the leadership of its many forward-looking citizens, it has sought ways to wipe out its slum areas and to house its low-income families.

Despite its vigorous efforts, my city has learned the same bitter lesson that every city in similar circumstances has learned. It has found that its slum clearance and low-rent housing problem is too great to be met by the resources available to it. It has found that it must have the kind of assistance proposed in H. R. 4009.

This bill holds major hopes for the future of St. Louis. It will make it possible for St. Louis to clear out the slum areas which are now gnawing at its heart. It will make it possible for the



city to transform these areas from liabilities into assets for the future growth and health of the municipality. It will make these lands available for new industrial uses, new commercial centers, new residential developments, and for public uses. We will have a golden opportunity to utilize these wasted lands for the purposes for which they are best suited and for the purposes which will best serve all the citizens of St. Louis.

More than that, H. R. 4009 will make it possible for the city's own housing authority to go ahead with the construction of vitally needed low-rent housing projects which will house the men, women, and children who today live in the darkness of the slums. This need is great. The city now has about 1,300 units of public low-rent housing in two fine locally owned and operated projects. A few years ago, the city estimated that it would need at least 12,000 additional units for a 3-year program. There has been no abatement in the need since then. On the contrary, the need has grown more acute. If the city were to state its full needs, the total would surely be several times the number of units contemplated for a small 3-year program.

St. Louis has waited long and patiently for this legislation to rescue it from a strangle hold it could not break itself. I take pride in joining with the many distinguished Members of the House who are putting their strength into a measure which will brighten the future for all Americans.

(Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD following consideration of the pending bill today.)

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in the debate on the point of order it developed, if nothing else was accomplished, that the Congress of the United States, when it once adopts this program, will never in the next 40 years have anything to say in respect to whether it should be curtailed or the use to which the money shall be put.

It seems to me that, regardless of all the other objections to this bill, this presents a very fundamental and basic objection to the legislation. It should be stressed that when we pass the bill that Congress will have nothing to do for the next 40 years in respect to about \$3,000,000,000 of the money made available under this bill and will have no alternative to the raising of the other \$16,000,000,000 which are contractual obligations. The Federal Government may be sued on these contracts for the consideration of the contracts which are the guaranties that the Federal Government will not only make the grants and the loans but will provide annual contributions totaling under existing language upward of \$16,000,000,000.

Have it definitely in mind, Mr. Chairman, that when you vote for this bill you will vote to tie up \$19,000,000,000 of the taxpayers' money without any opportunity whatsoever to retract if you find a mistake has been made. I do not think the American people sent us down here

to legislate in that way. The American people, in my opinion, would like to feel that their Congressmen can stop any program at any time if it develops the program is not sound or that there is a basic fundamental danger to the American way of life in respect to the commitments made under the program. You legislate against any such future action in this bill by turning over to the Administrator of the Housing and Home Finance Agency the power to raise on its own initiative \$19,000,000,000 of the taxpayers' money. Think of it. The most we have ever given to a President in time of war to play with was a relatively inconsequential \$1,800,000,000 in the stabilization fund. In this bill we turn over to one individual, without any check on his actions by the Congress, upward of \$19,000,000,000.

Now, Mr. Chairman, I think we should stop, look, and listen and determine what we are doing in this bill. That, to me, is fundamental; it is basic. It is contrary to representative democracy to delegate the raising of \$19,000,000,000, or any major part of \$19,000,000,000, to any agency or to any single individual as is contemplated in this law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of what the gentleman has said, I wonder if he would not agree that it would be much more honest and much more in keeping with the constitutional, traditional principles of our Government that if we do want to go ahead with low-rent public housing that we appropriate year by year for the construction of the units in order that the Congress can control the operation of the program and the extent to which it might go.

Mr. WOLCOTT. It seems to me that is the only way to do this in keeping with our constitutional obligations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 18, strike out "not to exceed in any fiscal year an additional" and insert "additional amounts aggregating not more than."

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, there is another very basic fundamental objection to this bill, which establishes a precedent for the first time in respect to the association between the State governments and the Federal Governments. In no other legislation do we bypass State governments and deal directly with subdivisions of the State. We have always respected State sovereignty in every act which has been passed by this Congress.

Assume under this bill that a State legislature lays out a program, and under its sovereignty the State would have

authority to do so; under its police powers a State would have authority to set up a program. Now, then, the program might have certain limitations. It might have certain standards for the guidance of the municipalities in the removing of their substandard houses and providing for low-rent dwellings. Notwithstanding the State program, set up by a sovereign State, any municipality, any county, any other political entity, including a school district, would have power, because we make grants to entities for the purpose of providing facilities. If there happens to be a fire district within a city which is constituted as a legal entity under the State, that fire district could negotiate, as well as any other political subdivision of the State, directly with the Federal Government, contrary to and in clear defiance of any program which a sovereign State has set up for the guidance of their cities and municipalities in respect to any part of this program.

For the first time that I recall we here defy the provisions of the Constitution which guarantee and assure the perpetuation of the sovereignty of the States of this Union.

These questions are fundamental and basic. Up to only a few years ago this Congress debated hour upon hour, day upon day, year upon year, the inroads by the Federal Government on the sovereignty of the several States, yet in this bill, in addition to the other objections, for the first time we take the first major step in the destruction of the rights of the States to exercise the sovereignty which is preserved to them under the Constitution of the United States.

Mr. Chairman, I think we should again stop, look, and listen to determine if we are doing the right thing, whether our actions here today are in keeping with the American system, the dual system of a Federal Government and a recognized system of State governments who have given us all the authority which we have, and no more, to deal with these subjects.

Mr. Chairman, I hope that that matter will be given serious consideration, and that we do not establish the precedent in this bill of bypassing the sovereign States in the setting up of any program, even whether or not it is contrary to the provisions of any State program.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those who make technical objections to the bill are opposed to the bill and the objectives we seek to attain. It is not a theory that confronts us, it is a condition. How can we meet that condition? The only way I know that that condition can be met is by the methods which are prescribed in the bill that is now presented to the House.

Have we invaded the States, I think not. Forty-two of the States have passed enabling acts to receive the benefits of public housing. They were anxious to come under the bill we passed in 1937 as soon as it was passed. We do not force the will of the Congress on the States, it is optional. If they do not



want to receive the benefits of this act they do not have to do so.

The gentleman from Michigan said the States delegated the power to the Federal Government and that now the Federal Government is invading the States. The States did not delegate such power. The people delegated the power and we are endeavoring to help the people. Violent protest has been made with reference to the public debt transaction by which we raise the funds to carry out this project. I know of no other way that we can carry it out. The Federal Constitution says that no State shall make any law impairing the obligation of contracts and certainly the Federal Government should not repudiate its contracts. The full faith and credit of the Government is pledged to carry this out and the only way we can pledge that faith and credit and the only way we can see to it that the ends are achieved which we seek to achieve, is by the public debt transaction where the power to carry it out, and the assurance that our agreements will be carried out always exist.

We hear a great deal of talk about \$16,000,000,000 being spent over a period of 40 years. Experience has shown that the expenditures will not be anything like \$16,000,000,000. I have no doubt that \$10,000,000,000 or \$11,000,000,000 will be the limit of expenditures under this bill. Is it not worth it to the people of America to clear the slums and to give low-rent housing to people who otherwise would not be able to afford a home? I think it is. We did not hear any protests when the loans were made by the Reconstruction Finance Corporation to the banks, insurance companies, and railroads. We did not hear any fears expressed that that might result in socialism. Suppose those great organizations were not able to repay the money which was loaned to them by the Federal Government? Suppose that the Federal Government would have had to take them over in order to secure the funds which were advanced to them? Suppose the railroads of America had been socialized, and suppose the transportation of America was federally controlled. That would result in the control of the mines and factories and mills of America. Suppose they had taken over the banks and insurance companies—that would have controlled the credit and the money of our people. Baron Rothschild said, "Let me control the money of a nation and I care not who makes its laws."

Suppose the Federal Government would have had to take these great institutions over? That would have been a real threat of socialism. Socialism comes down from the top and does not creep up from the bottom. You did not hear any protest at that time about the threat of socialism, nor did you hear any of the great corporations say, "We cannot take this loan, because it might bring about socialism."

No; I am for private enterprise and I wanted to see them bailed out. But there in that instance was a greater threat of socialism than to help poor fellows get

homes. We helped the people save their homes by the activities of the Home Owners Loan Corporation, and many of our citizens today have homes by reason of that Corporation. Do the gentlemen who denounce this bill consider that socialism? All this hullabaloo about socialism and about the change of government because we try to give people who otherwise could not obtain them homes to make them happy and contented and to make the Nation stronger does not seem to me to have any force.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, of course the Members understand that the Committee on Banking and Currency did not write this bill. As a matter of fact, few of us even understand the bill. I do not pretend to understand all of it. It was written by the same crowd that wrote the United States Housing Act of 1937. You can see the hand of Leon Keyserling, vice chairman of the President's Economic Council, all through the bill. In my opinion, he holds to an ideology indistinguishable from that promulgated by the most ardent advocates of socialism.

I want to point out something which has not been mentioned here before, namely, that this bill shrewdly provides for making it possible to finance a part or all of the cost of these projects with Government printing-press money. If the securities issued to finance the cost of the low-rent projects, whether by local housing authorities or the Treasury, are sold to banks, the transaction involves what amounts to the issuance of Government printing-press money.

This bill specifically amends the National Banking Act so that national banks can participate in this process of printing money. Government printing-press money is the basis upon which New Dealism rests. Government printing-press money is of the very essence of socialism or communism. Government printing-press money was deliberately issued by the Bolsheviks to overthrow the old Russian regime and to institute the Communist state.

I wish the chairman of the Committee on Banking and Currency would give me his attention. I challenge him to deny that this bill makes it possible to finance a part or all of the cost of these projects with printing-press money.

Mr. SPENCE. What is printing-press money?

Mr. SMITH of Ohio. What is printing-press money?

Mr. SPENCE. Do you mean money that is printed without anything behind it? Is that what you mean? I hope the faith and credit of the Government of the United States is behind every dollar that is printed. I do not know what printing-press money is.

Mr. SMITH of Ohio. The chairman does not and cannot deny my charge.

If you buy a Government bond and pay for it out of your savings, no printing press money has been created. But when the Government issues a bond and sells it to a bank, then printing press money is created because that bank does not pay anything for the bond. It simply writes up on its books a deposit equal to the amount of the bond, and the Government checks against it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. JENSEN. Was it not this kind of program which brought about the condition in all the countries of this world when it required a bushel basket full of bills to purchase a loaf of bread? Is that not the program which brought about the condition whereby the currency was so depreciated in value?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. SMITH] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, only fools rush in where angels fear to tread. I am reluctant to speak because I know in advance the utter futility of anything that I might say concerning the pending legislation.

Long years ago Santayana walked into our classroom in Harvard and said:

O world, thou chooseth not the better part!  
It is not wisdom to be only wise,  
And on the inward vision close the eyes,  
But it is wisdom to believe the heart.  
Columbus found a world, and had no chart,  
Save one that faith deciphered in the skies;  
To trust the soul's invincible surmise  
Was all his science and his only art.  
Our knowledge is a torch of smoky pine  
That lights the pathway but one step ahead  
Across a void of mystery and dread.  
Bid, then, the tender light of faith to shine  
By which alone the mortal heart is led  
Unto the thinking of the thought divine.

What connection has that poem with this? It has every connection: Columbus did not trust upon his knowledge or wisdom, but the faith in his soul.

I think of the pioneer ancestry of ours that carved an empire out of a wilderness, those who landed in New England at Plymouth Rock and later at Jamestown. They made their way westward, sir, without any Government doles or hand-outs; they lived in wigwags; they lived in adobe huts; they lived in undergrounds, sod houses; they thanked their God that they were free men. In freedom there is strength.

Benjamin Franklin, one of the wisest philosophers of all time, never uttered a greater truth than when he said:

He who surrenders his liberty for temporary security deserves neither and will soon lose both.

We have been surrendering our security and our freedom for Government doles and hand-outs, expecting Uncle Sam, a Santa Claus in Washington, to take care of us whether we put forth any effort to take care of ourselves or not.

Francisco Pizarro, who lived in the latter part of the fifteenth and the early part of the sixteenth centuries, coming from Spain to far-off Panama took a



sword, and with only 13 followers, 1 more than the 12 disciples of our Lord, he drew a line in the sand and he said:

Friends and comrades: On that side are toll, hunger, nakedness, the drenching storm, desertion, and death; on this side ease and pleasure. There lies Peru with its riches, here Panama with its poverty. Choose each man what best becomes a brave Castilian. For my part, I go to the south.

And he went to the south. He did not depend upon gimme, gimme, gimme. This nauseating, complicating, paralyzing, and destructive force of a paternalistic patronizing bureaucracy in Washington is indefensible.

Let every man build his own home. Do not envy another.

You are going to tax the people down in my district, every family in the Seventh Congressional District of Missouri, \$134 a year for the next 40 years. What for? To build units costing from \$12,000 to \$16,000 in Brooklyn. I am not willing for my people to be taxed even to build them in St. Louis. God knows my people who still live in log cabins, cover their houses with bullhides and use their tails for lightning rods, are asking nothing; they want to be let alone. Not \$1 of all this sum will be spent on the 313,000 people of my district; not a single dollar will be spent. Oh, yes, you are moral uplifters, you are great philanthropists; but remember the Son of Man and the Son of God, the greatest teacher, said:

If any man will come after Me, let him deny himself and take up his cross and follow Me.

The foxes have holes and the birds of the air have nests; but the Son of Man hath not where to lay His head.

Do not expect to be carried on a rubber-tired buggy or in a new modern Buick; hoe your own row; leave us alone; keep America solvent, and defeat this dastardly thing.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 2:30.

Mr. HALLECK. Mr. Chairman, the gentleman from Michigan [Mr. WOLCOTT], has temporarily stepped out. There are a number of amendments. This is a very important section. So, Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, does the gentleman ask that all debate on section 1 or title I close at 2:30?

Mr. SPENCE. Title I.

The CHAIRMAN. On title I.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, how many amendments are pending?

The CHAIRMAN. The Chair would like to announce that there are seven or eight committee amendments which have not yet been disposed of. In addition to that, the gentleman from Ken-

tucky [Mr. SPENCE] has two amendments, the gentleman from California [Mr. PHILLIPS] has an amendment pending, the gentleman from Massachusetts [Mr. HERTER] has an amendment pending, the gentleman from New York [Mr. POWELL] has an amendment pending, the gentleman from Florida [Mr. SMATHERS] has an amendment pending, the gentleman from Florida [Mr. BENNETT] has an amendment pending, and the gentleman from New York [Mr. MCGRATH] has an amendment pending.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, I understand the gentleman from Kansas [Mr. COLE], has two amendments which he desires to offer. If debate is closed at 2:30, which is only 37 minutes from now, it means that the time will be distributed among all of these Members who have amendments?

The CHAIRMAN. The Chair is unable to guarantee what may happen in the distribution of time. The Chair will do his best to see that each Member who has an amendment is duly recognized.

Mr. WOLCOTT. Mr. Chairman, can the Chair inform us in number how many amendments are now pending?

The CHAIRMAN. There are six committee amendments. The Chair understands that the gentleman from Kansas [Mr. COLE] has two amendments. So there are six committee amendments and eight other amendments.

Mr. SMATHERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMATHERS. Mr. Chairman, if this motion is agreed to, does it mean those of us who have not had an opportunity to speak on this bill and who desire to offer an amendment will be limited to perhaps 1 minute?

The CHAIRMAN. That is within the discretion of the Chair. Will the gentleman from Kentucky restate his motion?

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 2:30.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 75, noes 115.

So the motion was rejected.

Mr. GAVIN. Mr. Chairman, I move to strike out the necessary number of words and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SPENCE. I object, Mr. Chairman. (Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Chairman, I have been following this debate with a great deal of interest and I must say, have listened very carefully.

My very good friend the gentleman from Michigan, JESSE WOLCOTT, tells us this program is a distinct trend toward

socialism. My very good friend the gentleman from Massachusetts, the distinguished majority leader, calls it dynamic democracy.

In any event, to keep the record straight so when I sit down somebody will not say, "How do you think he is going to vote?" let it be understood that I intend to vote against the bill.

I am in favor of a housing program but not one that will permit the Government to spend in the form of nonrepayable subsidies the staggering sum of \$16,-562,500,000. Or approximately \$400,-000,000 a year for a 40-year period.

Now the President comes out and states we must have a housing program. So, come what may, we are going to have a housing program, and that is that. And you will take it and like it. You might not like it, but you will take it.

Back in 1946, under Government control and supervision, I understand about 460,000 houses were built. In 1947, under private industry, approximately 840,000 units were built. Assured there would be no Government competition in 1948, private industry constructed 960,000 houses. And now the reports indicate that because of the threat to the building industry again by Government going into the housing business, housing units constructed in 1949 will be under the 1947 figure.

I feel that if the Government would get out of the housing business and let private industry proceed, that private industry could catch up with the housing shortage in several years. But the proponents of this bill say that private industry has not met the demand. Certainly they have not met the demand, and they will not meet the demand as long as restrictions and regulations strangle the free flow of business. They will not invest their money until there is some assurance there will be no governmental interference.

Certainly these give-away programs are popular. They are sure-fire vote-getters. But if you can tell me that it is fair and equitable to have two men working side by side, both earning the same pay, one is frugal and saving and is able to pay for his own home, and under this proposed housing bill the frugal and industrious worker not only will pay for his own house but will be forced to pay, in taxes, for the house of his fellow worker who may not have been as frugal and industrious as he might have been.

This is a radical departure from anything ever before undertaken by Congress in the public-housing field. The heart and core of this legislation is subsidized Federal housing.

The money the Federal Government will dole out under this housing program has to be repaid. It will have to be repaid in taxes from the earnings of all our people, and if not in direct levies, then the people pay it indirectly in their cost of living no matter what wage bracket they may be in. There is no such thing as free money.

Acceptance of the administration's housing program means a definite change in the American way of life.



Certainly if one group or segment of our people are entitled to low-cost housing, then all people in certain brackets should be entitled to low-cost housing.

So it can be readily seen that once this program is established and the Federal Government contracts to build a certain number of houses, under the demand of public pressure the program will be increased and it may run into many billions of dollars before you are through.

Everybody seems to think they are getting something for nothing. That is a snare and a delusion.

I thought we were pretty well cleaned up with this type of program and that we were getting down to sound, clear thinking. Back in the early days of the New Deal we had political and economic planners; then we had the NRA and the WPA and the PWA. And we had planned economy and planned scarcity. You all recall the days when we converted young hogs into fertilizer, distributed the fertilizer to the farmer to increase the yield and then plowed it under.

We had youth movements, flagpole sitters, ballet dancers, and goldfish swallowers.

The waste throughout this entire emergency program was colossal and practically none of the projects were of such a nature that they might bring a reasonable return from which taxes later could be realized to apply against the mounting debt of the country. For the most part they were simply vast, lumpish political projects designed to put men on the public payroll. And as referred to yesterday, it became known as boondoggling. Maybe some of them were good projects, but on the whole it was known as boondoggling, and it was a good name for them.

Then the war came on and all the conceivers of new ideas were still with us and we then had the OPA and restrictions, regulations, and regimentations that nearly strangled the whole economic life of the Nation.

It gave bureaucracy a new lease on life and the New Dealers went to work with a vengeance. However, even that came to an end and the country still survived. The boys back in those days were like the Fair Deal crowd today. They were subsidy-minded—which has a great public appeal in some areas.

Nobody seems to bring to the attention of the House that we have a \$252,000,000 debt hanging over this country. Yet in the face of this situation, which should call for economy, balancing the budget, and getting our house in order to maintain the solvency of this country, and in the face of a critical world situation, we are figuring on spending \$16,000,000,000 more in subsidies.

Over the past several years we spent billions of dollars in subsidies. And I wonder if the people who are always crying for the veterans ever figure the billions we spent for subsidies several years ago that should have been paid as we went along but didn't pay when our income was greater than it had ever been before. We had all kinds of subsidy pro-

grams. The people were getting high wages, had good incomes, yet we put subsidies on an already overburdened debt to pay for later. And who is going to pay? The boys who were over there fighting, had to come back and take off their coats and go to work to pay the taxes to pay for the money spent in subsidies that we should have paid for as we went along.

How long this Nation can continue to feed and finance not alone ourselves, but the world, is problematical.

Back in 1933 governmental expenditures totaled \$5,143,000,000. In 1934 they were \$7,100,000,000. And in 1939 the Government spent \$9,027,000,000. And this year we have a budget of approximately \$41,850,000,000 and Pennsylvania's share of that budget is \$3,251,440,000. This means \$309 for every man, woman, and child in Pennsylvania.

The reason the country is in the jitters today is because the folks back home don't know what Congress is going to do. Therefore, they cannot figure out what they can do, and the result is that the country is at a standstill because of the uncertainty of congressional action.

High taxes are a millstone around the necks of all our citizens. They stifle initiative. They are a drag upon production. They are a major factor in the cost of living because they enter into the cost of everything. And instead of reducing taxes we are concocting formulas to increase taxes.

Every Member of this House knows how the people back home feel about taxes and they can be reduced if these programs are held in abeyance. If taxes were reduced the Federal Government would function more efficiently by eliminating waste and extravagance. Rather than create new formulas for spending, let us clarify those we already have on the books.

The history of the past few years is one of constantly increasing taxation and spending and through this the constant destruction of savings and continuous discouragement of private venture—the one sure way of providing jobs under our American system.

Therefore, I feel, under the circumstances, that this program should be deferred and I will vote against it.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, critics of proposed Federal aid to the housing of low-income families and the clearance of slums, in H. R. 4009 seem willing to ignore the fact that for the past 16 or 17 years the Federal Government has been very deeply involved in the housing field. They contend that the Government's effort to assist those that private enterprise is unable to serve is a scheme to undermine private enterprise itself. It might be well to remind ourselves, in line with the specific policy set forth in this bill, that main reliance in meeting our housing needs rests with private enterprise, the extent to which the Government has already gone to aid and underwrite the private housing industry in doing that job. It far exceeds anything contem-

plated for low-income families in this legislation.

What the Government has done in a little more than 15 years to assist private enterprise may surprise you.

It has engaged directly in programs of financial support and assistance to private housing that involved financial commitments totaling more than \$23,000,000,000. And that sum does not cover a much larger area of private operations which indirectly have been aided by these Government private-aid programs. Indeed, if you cover all the private operations and assets that benefit from Federal housing programs, your total will exceed \$40,000,000,000 over a period of 17 years or less. And most of these programs are continuing and increasing and year after year are adding to the potentialities and the profitable operations of the private industry.

In support of these figures a breakdown of the major Federal housing programs will be illuminating. This breakdown, which I submit for the Record, includes the following major items of aid to private assistance.

Of direct benefit are these:

The amount of mortgage insurance written on private housing by the Federal Housing Administration since it was established in 1935, \$15,672,000,000.

The amount of GI home loans actually guaranteed by the Veterans' Administration under the GI bill of rights, \$3,840,000,000.

The Government's investment in housing through the refinancing of distressed home mortgages during the depression under the Home Owners Loan Corporation program, \$3,495,000,000.

Add to those major items a number of others of lesser amount and you find that the Federal Government's underwriting and refinancing operations in housing total more than \$23,000,000,000.

You can go on from there, for the amounts actually insured or guaranteed have made possible a larger amount of housing finance and home mortgage business as a result of these guarantees. In addition, a large volume of housing investment funds enjoy protection against loss from Federal insurance guarantees.

Major items that have been indirectly benefited and made possible through Federal programs are these:

Valuation of GI home loans over and above the portion listed above as guaranteed by the Government, \$4,178,000,000.

Estimated total valuation on FHA-insured home loans over and above the portion listed above as representing FHA insurance, \$3,000,000,000.

Investments in home savings and loans institutions insured against loss by the Federal Savings and Loan Insurance Corporation, \$8,259,000,000.

Advances to member institutions made under the Federal Home Loan Bank System for home financing, \$2,714,000,000.

All told, private housing has benefited directly or indirectly through Federal Government housing finance programs to a total amount of more than \$40,000,000,000 in a little more than a decade



and a half. That seems to be an ignored and overlooked chapter to those who see in this program to assist low-income families to the extent of eight or nine billion dollars over 30 to 40 years, an effort of the Government to impair or destroy private enterprise in housing.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended taking any time in this debate for it has seemed to me during these last few weeks that the facts regarding world conditions and our own financial situation were so self-evident as to need no elaboration. In this dark hour the remaining free peoples of the world have only one hope—only one powerful force with which they can align themselves to fight off dictatorship and servitude. An economically sound United States of America is that hope and that powerful force. There is no other. Unless the financial affairs of this Republic are so managed that we continue to be strong—not just for a while, but forever—the end of our economic strength and power spells the end of personal and political freedom in the world. If we fail, an era of servitude and darkness will ensue which could last a hundred years.

Until recently I thought these things needed no explanation. But as I sit in this House day after day and see no slightest indication on the part of the majority in Congress, or on the part of the President, to cease or at least slow up our march toward national bankruptcy I am appalled.

I know that what I say here today will have little effect, if any, but I must speak out for to fail to do so would be to fail in my responsibility to the people who have sent me here to represent them.

We are considering a tremendous piece of legislation. It may pass. If so it obligates the Government to spend billions upon billions of dollars. I will not argue the point as to whether the sum be ten billions or twenty billions. Whatever the exact sum, it means taxes, taxes, taxes, for 40 years or more.

Will the passage of this bill do good? I assume so—but the total number of people to be benefited is pitifully small compared to the number in our low-income population group. An authority will select the lucky ones. I wonder how the unselected, the unlucky, millions will feel about their Government and how they will feel about the fortunate thousands. I expect the normal and human reaction of the unlucky people, who need better housing but who are not selected, will be to attempt to get in good with the selecting authority so that they will not be left off the list next time. Servitude is just around the corner.

But my remarks are directed to the broader problem. By the passage of this public-housing bill, by the miserable failure of this Congress to date to reduce the fantastically high cost of government, by the passing of other welfare-State spending legislation demanded by the President, we are lighting a fuse which may touch off a financial explo-

sion that will blast free governments and personal freedom off the face of the earth.

Lincoln said:

If destruction be our lot we must ourselves be its author and finisher. As a Nation of freemen, we must live through all time, or die by suicide.

Not only are we looking down the barrel of a suicide gun today, but in destroying ourselves we also murder freedom for the world.

The help we have given the unfortunate people of western Europe is more than just material aid—although we are doing a great deal of that. Only two great powers remain in the world—our United States and the Russian Government. Not only do we compete in power but, more important, we represent the cause of freedom whereas they represent the cause of communism, dictatorship, and servitude.

The people of Europe are caught between two great forces but they choose to align with us. They do this first because they believe in our philosophy of government and, secondly—but very important—they believe in our ability combined with their own to protect and defend the way of freedom. If we fail ourselves, we fail them and all that we and they have fought for. They must then turn toward communism.

It is not too late for this Government to come to its senses. But I have a strong belief that if we pass this bill today or tomorrow we shall be lighting the fuse for the destruction of freedom in the world as the result of an economic explosion here.

Mr. PATMAN. Mr. Chairman, since the pending amendment is a perfecting amendment, I ask for a vote at this time.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 12, after the comma, insert "as amended."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 19, line 6, strike out all after the word "of" down to and including 276 (c) and insert "title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c."

The CHAIRMAN. The question is on the committee amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in this title we should have two things in mind. One is that the bill repeals the provisions of the 1937 act, as amended, by striking out of that act certain provisions in section 10 (a) of the act, which provided that a comparable number of slum units should be demolished. That language made the United States Housing Act of 1937 a slum-clearance act. You will note that on page 66 of the committee report, under

the Ramseyer rule, the language which provides for the demolition of slums is bracketed, which means of course that it is stricken from the act. In other words, that language is repealed.

On page 13 of the bill (H. R. 4009) we find that they do not even have to give consideration to the clearance of any slums, especially if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality. That is true up to July 1, 1951. Inasmuch, of course, as this is a long-range so-called social reform program predicated upon the housing shortage, it is reasonable to presume that no consideration whatsoever will be given to the demolition of any slum units or substandard units, at least until July 1, 1951. In addition to that, I call attention to the fact that nowhere in this bill is there any provision for the clearance of slums. Let me reiterate that. Anyone who calls this a slum-clearance bill may be misleading himself, his constituents; and the record of the committee is full of testimony indicating that many good, patriotic organizations have been fooled into the belief that this is a slum-clearance bill.

Mr. Chairman, another point: If you will refer to page 18 of the bill you will find that there is specific provision for the blanketing into this program of the so-called surplus Federal real property, property owned by the Federal Government which is referred to in this section, what we have commonly called the Lanham permanent housing which was built during the war. In the Lanham Act there was a provision which expressly provided that those projects should be sold or disposed of. This House passed a bill last year providing for the disposition of the Lanham permanents with very high veterans' preference assuring that they would be sold only to veterans and veterans' cooperatives. There is no such language in this bill. One of the reasons why Dillon Myers, who at one time was a public-housing administrator, was relieved of his position, was because he was encouraging the housing authorities, and municipalities, to reserve their Lanham projects—and there are 331,381 units in the Lanham permanents—for this purpose, so that they could be blanketed into this program.

Bear in mind that there is no slum clearance in this act, and if we adopt this provision we blanket those Lanham permanents into this program.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PATMAN. Mr. Chairman, I ask for a vote on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 21, line 2, strike out "platted urban or suburban."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.



The Clerk read as follows:

Committee amendment: Page 21, lines 7 and 8, strike out the words "unplatted urban or suburban."

The committee amendment was agreed to.

Mr. SMATHERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMATHERS: Page 13, after line 16, insert the following paragraph:

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency, except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10, nor more than 20, days prior to the date of such hearing."

Mr. SMATHERS. Mr. Chairman, I appreciate the opportunity to be able to talk for just a moment on this bill. I have not heretofore had that opportunity. I also appreciate the fact that the members of the Banking and Currency Committee have spent much time on this bill and are fairly familiar with it and are anxious to get on. At the same time I would like to call their attention, with all due deference and politeness, to the fact that many of us on other committees are now just getting around to finding out what this bill is all about.

I have previously stated that I expect to support this bill, H. R. 4009. It is desirable legislation; it is necessary legislation. We want to provide slum clearance, we want to provide some public housing, but it is the intention of every one of us not to do injury to anybody. None of us wants to place a burden on private business or on private builders; therefore this bill, H. R. 4009, should be amended in some respects and I believe with some advantage.

Mr. Chairman, the amendment which the Clerk has just read is a most inoffensive-sounding one; at the same time it is very important. I cannot claim for it any pride of authorship, because this amendment is already in the housing bill as passed by the other body. It merely provides that before any city commission can undertake a gigantic slum-clearance project there must be some public hearing held on that project before land is condemned and work started. There is nothing under the law today which requires any city commission to give notice of such hearing.

Most city governments are made up of a very few people. As a matter of fact, in my city there are five members of the city commission. In order to get a slum-clearance project under way all we would have to have is three members of that city commission, they would constitute a majority. Those three men could pass a resolution for a slum clearance which could be adopted without prior notice. They are able to decide and embark upon a giant slum-clearance project without hearings, they may decide where it is going to go, whose land will be condemned under the right of eminent domain and what type of slum-clearance project it will be. Certainly in ordinary considerations the city commission does what we think is proper; how-

ever, those of us in politics do know that under certain conditions three members of a city commission might be motivated by some political idea and they could in some unhealthy fashion decide to place a great slum clearance project on land that was not fitted therefor.

Mr. Chairman, the amendment I have offered should be adopted in order to give everyone who has an interest, and certainly those whose land is going to be taken under this act and who do not now under any construction of the law have a right to come in and be heard, should have an opportunity to appear in opposition. The most democratic and sacred right we have in this country is the right of the people who might be in opposition to have a chance to be heard. I therefore recommend to the Committee on Banking and Currency that it exercise its wisdom and give protection to the property owners in any city which the other body has already seen fit to give them.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Is it not a likelihood that if hearings are advertised there will be a bidding up of the property in question?

Mr. SMATHERS. I do not believe so. I believe for the people to have the right to say where they want the slum projects to be, what kind of project it is to be that is more important than whether or not the cost of this thing might go up.

Mr. BUCHANAN. Is it not a fact also that before a project is erected it must be approved by the local governing authority, which would be the city council in most instances?

Mr. SMATHERS. That is right.

Mr. BUCHANAN. The gentleman stated that a mere majority of three of the urban authorities in his city would have the final say, and it must meet with the approval of the city council?

Mr. SMATHERS. In a five-man city commission such as we have, three members of that commission, elected at the same time, maybe from the same organization, and upon an issue entirely foreign to a slum-clearance program, the same crowd of people, they would have the right to pick out vast areas, vast acreage, and say, "A slum-clearance project is going up here on this parcel" and nobody would have a right to offer any objection to it.

I hope the committee will accept the amendment.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, no one doubts the good faith of the gentleman from Florida [Mr. SMATHERS] in offering this amendment, but I am sure that he has overlooked the fact that the entire scheme of this bill is to keep the Federal Government out of these local projects. There is nothing in the bill up to this point which permits the Federal Government to tell any locality, State, or municipality how it will proceed to clear its slums or to build its public housing. Here, for the first time, you come in with an amend-

ment which is going to have the Federal Government come in and say how the State or the locality shall proceed to condemn their property or remove their slums or build their public housing. If you do it here you might just as well start with a full scheme of regulations so that the Federal Government will control and operate all of these local functions. You do not want that. All this bill is intended to do is to lay down a general policy of Federal aid to localities to do these things in accordance with local laws and local determinations. In my own State we have a very complete system of condemnation for slum clearance and otherwise. Here you are going to say that in my State, where we require 30 days' notice, that you must give not less than 10 nor more than 20 days' notice. Each locality should have its own regulations in accordance with its own local law, and we should not attempt to tell them how to do it or what their procedure should be.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Would this not be an infringement on local governments to make their own determinations in this regard? I believe the gentleman stated that it would be an infringement of the State's rights or local option features of the local authority.

Mr. MULTER. Very definitely.

Mr. SMATHERS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Florida.

Mr. SMATHERS. Will the gentleman not admit that in condemnation proceedings the issue is not whether or not the Federal Government or the State or the city has the right to take the land, but that the only issue is the price of the land? Would the gentleman not further agree that there is no provision in this bill which guarantees to any State or locality, in matters of disagreement, the right to be heard, and that therefore it is possible for a mere majority of any city council to pick out a great area and put slum-clearance projects on it without anybody having the right to say anything about it?

Mr. MULTER. I cannot agree with the gentleman from Florida. Each locality must be permitted to proceed in accordance with its local laws and make its determination there. If you have any fault to find with the local authorities, then change your law.

Mr. SMATHERS. Will the gentleman not agree that at the time most city commissions were elected, it was never dreamed that they would have the authority to spend these billions of dollars to erect some giant slum-clearance project? They now have, by virtue of the Federal aid we are giving them, much more power, and many more rights.

Mr. MULTER. The gentleman from Florida is definitely wrong. Any State or locality that did not contemplate this program, cannot participate in it until they change their local laws. This is permissive legislation. We merely make the means available to the locality, pro-



viding they will change their laws so that they can participate in this program.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that since this language is in the Senate bill that it would be wise not to adopt this amendment and let it go to conference? Then, after fair consideration, if the conferees consider it in the public interest to adopt it, we can adopt it in conference.

Mr. MULTER. I think that would be a very happy way to dispose of the matter.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. GAMBLE. In what earthly way does this affect the Federal Government? This is a local thing, it is a local situation, it is a local operation. It has nothing to do in any way, shape, or manner with the Federal Government, as I see it.

Mr. MULTER. If the gentleman's point is that we should not have any such limitations in the Federal law as proposed by this amendment; I certainly agree with him.

Mr. GAMBLE. This puts a limitation on the local governments as to how they should operate, and I do not see that it affects the Federal Government in any way.

Mr. MULTER. No. This amendment would have this Congress legislate and tell the localities, the local legislatures, the State legislatures, the municipal legislatures, what they should do and how they should proceed. You are saying that they should proceed on notice of not less than 10 or more than 20 days. In the gentleman's State and my State they require 30 days notice.

Mr. GAMBLE. I think they should. I think there ought to be some rights.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close at 3 o'clock.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, may I ask how many amendments are pending on the Clerk's desk?

The CHAIRMAN. The Chair is advised that there are nine amendments to title I now pending on the Clerk's desk.

Mr. WOLCOTT. I think under the circumstances I will be forced to object. About a half-hour ago there were 15 amendments pending.

Mr. SPENCE. Mr. Chairman, I move that all debate on title I and all amendments thereto close at 3:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 114, noes 122.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 145, noes 142.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS].

Mr. SIKES. Mr. Chairman, I offer a substitute amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. Some of the Members on this side have been waiting for 2 hours to offer amendments. Will the Chair kindly advise what the Chair will do in the division of the remaining time?

The CHAIRMAN. The Chair will state that as of this time only one amendment has been offered. The other amendments which were considered by the Committee up to this time have all been committee amendments. The Chair has recognized until this time only one Member to offer an amendment, the gentleman from Florida [Mr. SMATHERS]. The gentleman from Florida [Mr. SIKES], rises to offer a substitute for the amendment offered by the gentleman from Florida [Mr. SMATHERS]. The Chair will also state that under the terms of the motion just agreed to, debate on title I and all amendments thereto has been limited to 3:15.

At the time the motion was made the following Members were standing seeking recognition: Mr. SIKES, Mr. COLE of Kansas, Mr. FELLOWS, Mr. HERTER, Mr. PHILLIPS of California, Mr. KRUSE, Mr. HALLECK, Mr. REES, Mr. TOWE, Mr. WOLCOTT, Mr. O'HARA of Illinois, Mr. BIEMILLER, Mr. POWELL, Mr. MULTER, Mr. NICHOLSON, Mr. KEATING, Mr. BUCHANAN, Mr. KUNKEL, Mr. PRIEST, and Mr. SPENCE.

Mr. MARTIN of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Massachusetts. The Chairman has read 21 names; 30 minutes has been allotted for further debate on this title. This means that any Republican can get but a minute and a half to present an amendment to the bill. Is that right?

The CHAIRMAN. The gentleman is approximately correct.

Mr. MARTIN of Massachusetts. I want the RECORD to carry that fact clearly.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. How many Members are seeking recognition?

The CHAIRMAN. Twenty-one.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that each of the 21 have 2½ minutes to present his amendment and that the committee have 2½ minutes to oppose.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I do so only to ask the Chairman to take my name off the list. When the first section of the next title is read, I will have something to say about the bill.

Mr. KLEIN. Mr. Chairman, reserving the right to object, I did not hear my name called; I was not on my feet at the time but I do want to oppose one of the amendments. May I claim the time relinquished by the gentleman from Indiana?

The CHAIRMAN. The gentleman, unfortunately, was not on his feet at the time the limitation of debate was voted. The Chair can recognize only Members standing seeking time when the agreement was entered into.

Mr. SPENCE. Mr. Chairman, I modify my request and ask unanimous consent that notwithstanding the motion just agreed to, that debate on title I and all amendments thereto conclude at 3:40.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, that would be approximately 50 minutes; is that right?

Mr. SPENCE. Yes.

Mr. WOLCOTT. I wonder if the gentleman would amend his request to make it 50 minutes instead of 45?

Mr. SPENCE. No; I prefer to stand by the 45 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on title I and all amendments thereto conclude at 3:40. Is there objection?

There was no objection.

Mr. SCUDDER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCUDDER. My name was not called. I was standing. I have an amendment at the desk. I should like to have an opportunity to speak on the amendment.

The CHAIRMAN. The gentleman's name will be added.

The Clerk will report the amendment offered by the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. SIKES as a substitute for the amendment offered by Mr. SMATHERS: On page 13, after line 16, add a new subsection as follows:

"(d) The proposed low-rent housing projects have been approved by a majority of the qualified voters participating in a referendum conducted by the local governing body seeking assistance under title I of this act."

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. SIKES. Mr. Chairman, I have no quarrel with the amendment offered by my distinguished friend the gentleman from Florida [Mr. SMATHERS]; I support all that he has said about the necessity for having local participation in the selection of sites for public housing projects. But I seek to go further; I do not feel that hearings will give the conclusive answer that we should have. Hearings are a step in the right direction, but they may or may not be completely informative. Before the kind of money authorized by this bill is spent here and yonder I think there should be a definite knowledge of the need for public housing in the respective communities. I submit that the people who live in the communities are the people who know whether or not there is a need. When they have voted on the question the



record is there in black and white in a conclusive manner which cannot possibly be obtained through hearings.

I realize that under the provisions of the bill a referendum could be called by the local governing body, but I do not think permissive authority is enough. A referendum should be mandatory in all cases where public housing is proposed so that the people may state positively whether or not they see a need for housing under the provisions of this bill.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Florida [Mr. SIKES] to the Smathers amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 79, noes 92.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SIKES.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 117.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMATHERS] as amended by the Sikes substitute.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 80, noes 85.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. SMATHERS.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 132.

The CHAIRMAN voted "no."

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER: On page 9, line 12, strike out subsection (g).

Mr. FELLOWS. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. FELLOWS. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HERTER. Mr. Chairman, I am very grateful to the gentleman from Maine.

Mr. Chairman, the amendment I am offering is a very simple one, but it is a far-reaching amendment. It prevents the housing authorities from issuing tax-exempt securities. As far as I know in this entire debate there has been no reference whatever to the fact that this bill allows local housing authorities to issue tax-exempt securities in the amount of over \$7,000,000,000. That would

mean a loss in revenue to the Federal Government of many hundreds of millions of dollars over a period of 40 years. The Federal Government itself cannot issue tax-exempt securities. It is forbidden from doing so by our public-debt act. Yet in this bill we are permitting certain entities of government that have no taxing power of their own which are entirely artificial entities for a given purpose, to issue tax-exempt securities and in the issuance of such securities they circumvent the clear intent of Congress with regard to Federal tax exemption.

Mr. Chairman, we pretend that these securities that are issued by local housing authorities can stand on their own feet, as tax-exempt. They cannot. This bill provides for the payment of every cent of the principal and the interest on these bonds by the Federal Government. In other words, they are identical with Federal Government bonds, except for the fact that another entity issues them, because the Federal Government is guaranteeing them as to principal and interest, through the annual contributions that are made. In the bill those annual contributions have to be specifically pledged for that purpose.

Not only that, but on page 75 of the bill we allow national banks to invest in these securities, something which they would naturally like very much to do, because I can think of no nicer way of ducking Federal taxes than by the purchase of these particular securities.

Today there are only two large purchasers of tax-exempt securities. One is the rich man who is trying to evade his Federal taxes, and the other is the bank or similarly situated corporation that buys tax-exempts because it finds it can make a larger yield on these than it can by paying its taxes on taxable bonds.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. WHITE of Idaho. If national banks are permitted to buy these securities, will they become eligible for rediscount and the issuance of currency against them?

Mr. HERTER. Yes; I believe they do.

It will probably be argued that it will cost the Government under this bill something like \$35,000,000 a year, or more, if tax-exempts are not issued, in order to meet the principal and interest on these obligations.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. Yes; I yield.

Mr. SPENCE. The power to tax is the power to destroy. Chief Justice Marshall said that in the case of McCulloch against Maryland.

Mr. HERTER. I am sorry. I did not yield to the gentleman to make a speech. If the gentleman has a question to ask, I will be glad to yield.

Mr. SPENCE. I just wanted to submit to the gentleman that the States can utterly destroy this program if they are permitted to tax it.

Mr. HERTER. This has absolutely nothing to do with State taxation. This deals only with Federal taxes.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from Massachusetts.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEATING. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. KEATING]?

There was no objection.

Mr. HERTER. Mr. Chairman, I was about to say, the argument might be used that it will cost the Federal Government more money to make up the principal and interest on these bonds if they are not tax exempt. In fact, in the hearings, at the time the \$400,000,000 a year was the figure agreed on for a million units, it was figured that it would cost the Federal Government \$45,000,000 a year more to service these bonds through the capital grants each year, if they were not tax exempt. That argument is entirely fallacious. It will certainly cost more, but I want to read to you a little simple arithmetic with regard to this matter.

The Bureau of the Budget and the President of the United States both said categorically that the capital contributions to be made under this bill are only to take care of the servicing of these notes, and are not a subsidy over and above that point. That just cannot be true. The reason for it is very simple. The total in notes for the low-rent housing that must be issued under this bill would amount to about six and one-half billion dollars to build 810 housing units, assuming the amendment to be offered will be carried. The amount that the Federal Government puts in against that, on the reduced basis which the committee will offer, is about \$12,300,000,000. The cost of servicing these bonds is less than \$1,500,000,000, even if they were at 2½ percent; so there is a surplus of \$4,500,000,000 going out of the window somewhere in excess authorizations under this bill. There is accordingly plenty of money under the authorizations to take care of taxable bonds.

The United States Treasury has objected consistently to the issuance of tax-exempt bonds. Today we have exactly one issue of Federal tax-exempt bonds outstanding; that is the Panama bond that matures in 1960. It is selling on a basis of 1.1 percent at this moment, indicating that many people are buying it, buying it in order to escape Federal taxation. Consequently, we are by this provision—and I am sure the Committee on Ways and Means will agree with me—proposing to increase tax exemption in this country by 50 percent and give that tax evasion possibility to the rich and those who require it the least and take out of general circulation where it is needed most the venture capital that seeks refuge in this type of obligation.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?



Mr. HERTER. I yield.

Mr. KUNKEL. If we adopt this tax-exemption feature in this particular instance we are absolutely sure to continue doing it in other cases and then we shall completely defeat the whole purpose of the public-debt act in trying to eliminate tax-exempt bonds; and that act was passed some years ago by the Congress.

Mr. HERTER. There is no question about it. These bonds are to all intents and purposes Federal bonds, and this is merely dodge to get around the public-debt act which Secretaries of the Treasury, Republicans and Democrats, have insisted was necessary to maintain the normal tax structure, and we put that provision in the bill for the benefit of a small group of people. It seems to me that we should defeat this provision in the bill and then we ought to strike out the provision in section 5 (e) of the act of 1937.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUCHANAN] is recognized.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Massachusetts in offering this amendment offers it to title I concerning the slum-clearance section. If you will turn to the House Report 590 in this bill on page 64 and I refer you to section 5 (e) of the United States Housing Act of 1937. The authority, including, but not limited to its franchise, capital, reserve, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local-taxing authority. Obligations, including interest thereon, issued by public-housing agencies in connection with low-rent housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

Mr. WHITE of Idaho. What page is the gentleman reading from?

Mr. BUCHANAN. It is on page 64 of the report.

Mr. HERTER. Mr. Chairman, will the gentleman yield for a short observation?

Mr. BUCHANAN. I yield.

Mr. HERTER. The gentleman knows very well that the tax situation at the time the 1937 legislation was written was entirely different from the situation in 1949 when the Federal income tax offers an incentive to escape through these tax-exempt securities which was not offered in 1937.

Mr. BUCHANAN. I believe the gentleman is aware of the fact and will agree that the local housing authority bonds are of essentially the same character as almost any municipal or State bonds and have been exempt from Federal taxation.

This amendment if adopted would do nothing but increase the cost of financing the slum-clearance bonds over a period of years. I might say that the total amount is approximately \$1,000,-

000,000, and not the \$7,000,000,000 the gentleman referred to; so if you want to increase the cost of clearing the slums, then vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The question was taken; and on a division (demanded by Mr. HALLECK and Mr. HERTER) there were—ayes 106, noes 129.

So the amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 18, in line 21, strike out the words "wages or fees" and insert in lieu thereof the word "salaries"; and on page 19, line 1, preceding the word "technicians", insert the word "and", and after the word "technicians" strike out the comma and the words "laborers, and mechanics."

On page 19, in line 2, after the word "involved", insert the following: "and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved."

On page 19, in line 3, strike out the word "may" and insert the word "shall."

Mr. IRVING. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Banking and Currency Committee.

It is my firm conviction that the Department of Labor should be vested with the function of determining minimum wages for construction mechanics and laborers employed on slum clearance and low-cost housing work under the housing bill of 1949. This conviction is based upon the fact that the Labor Department has the know-how to do the job through the experience gained in administering the minimum-wage law applicable to Federal construction work which is known as the Davis-Bacon Act. My knowledge on this point is not theoretical but is based upon knowledge of the work of the Department in this field gained during my business career. I can think of no function of Government which more truly belongs in the Labor Department than the determination of minimum wages for mechanics and laborers. This is true regardless of whether the Federal Government is interested in the construction work directly, such as the construction of post offices, by means of grant-in-aid programs such as those under the Hospital Survey and Construction Act, and the Federal Airport Act, by guaranteeing loans for housing construction under the Federal Housing Administration program or as is proposed under the Housing Act of 1949, by a loan and subsidy program.

Mr. Chairman, the Congress has seen fit to vest the determination of minimum wage rates for Federal construction work, for Federal grant-in-aid programs and for Federal Housing Administration housing in the Labor Department. I ask the question, Why should such a well-established policy be changed in enacting the Housing Act of 1949? No question is

raised with regard to the determination of wage rates by the Labor Department for housing construction under the Federal Housing Administration program. Over 1,500 such cases have been processed by the Labor Department during the past year. The Federal Housing Administration program is administered by the Administrator of the Housing and Home Finance Agency and that same man is charged with the responsibility of administering the slum clearance and low-cost housing program under the Housing Act of 1949. So you have this result, Mr. Chairman. Wage rates for Federal Housing Administration work are and will continue to be determined by the Labor Department. However, when it comes to slum clearance and low-cost housing pursuant to the bill which we are considering, the Administrator would make his own wage-rate determinations. This, of course, would require the setting up of a new staff of employees to perform exactly the same type of work now done by experienced personnel in the Labor Department. Can you think of a greater duplication of effort? Not only that, but think of the cost involved. Therefore, Mr. Chairman, I sincerely urge that the amendment be adopted because the Labor Department is thoroughly experienced in making wage determinations, has done so for many years, and no reason exists why a new section should be set up in the Housing Agency to perform exactly the same type of work at great cost to the Government. In addition, it is my understanding that the amendment meets with the approval of the President because it is in line with his views on concentrating labor functions in the Labor Department.

Mr. SPENCE. Mr. Chairman, this amendment merely provides that the wages of laborers and mechanics on these projects shall be fixed by the Secretary of Labor. That is, the rates of pay shall be found and fixed by the Secretary of Labor.

This is in accordance with the Davis-Bacon Act, and all other Federal legislation. It is certainly the function of the Department of Labor, that has custody of the statistics, to fix the wages of the laborers and mechanics on these projects. The Administration feels this is a proper amendment, since it would conform to existing legislation.

Mr. Chairman, I ask that the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 9, line 16, after the word "States", insert a new paragraph as follows:

"(h) No loan or grant shall be made pursuant to this title, subsections (a), (b), or (d), unless the Secretary of the Treasury certifies to the Federal Works Agency Administrator that the receipts of the Federal Government for the fiscal year in which such



expenditure is proposed to be made will exceed all other expenditures of the Federal Government in such fiscal year by an amount equal to or exceeding such proposed expenditure."

Mr. TOWE. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Kansas [Mr. COLE].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, when I was yet a young chap I wanted a football, but my father did not have the money to buy me a football. One day a rich uncle came to our house and I interrupted a theological discussion between my uncle and my father, and piteously asked for a football. Well, the result was that I got the football free because my rich uncle gave it to me.

Mr. Chairman, many of us in Congress believe we have a rich Uncle Sam who will provide things for us free. By this bill the Congress attempts to tell the people of America that perhaps this program will not cost them anything. Under the provisions of this bill the Committee on Appropriations is circumvented and the Administrator promoting the program has the right to borrow from the Secretary of the Treasury. The Secretary of the Treasury, in turn, need not require the laying of an additional tax burden upon the people; he might borrow from the people. In other words, it might not require an additional tax levy at this time in order to continue this program. The additional taxes will be merely postponed.

But, Mr. Chairman, in connection with the amendment which I have presented is that as long as this country is operating at a deficit, that this program shall not be put into effect. So, if you want the program and if you want to pay for it, all you need to do is to vote an additional tax increase in order that you may have it. In other words, if you want it, let us pay for it. Let us be honest about what we are doing; let us not saddle upon the future generations additional debt burdens which will be more and more and more difficult for them to bear and to pay, and finally at long last bankrupt this country.

Mr. Chairman, today this country owes a \$250,000,000,000 debt. Upon that we are going to add the cost of this program, and of other programs. Mr. Chairman, the President of the United States, in his social-welfare program alone, has proposed a program which will eventually cost \$1,250,000,000,000 in the next 50 years. All of that, Mr. Chairman, will be saddled in the future upon your children and grandchildren.

So, today I have offered an amendment that we cannot proceed with this program, this so-called low-rent housing and slum-clearance program, unless we are receiving as much money as we are paying out. It is a very simple amendment, and I hope that you will give it consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 106, noes 133.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, with interest I listened yesterday to the remarks of my friend and colleague, the distinguished gentleman from Kansas [Mr. COLE].

Serving with the gentleman on the committee, I have been charmed by his warm personality, but as a friend have wondered whether it was a service or a disservice that his faction of his party had done him in conferring upon him the distinction of leadership in the fight of his faction of his party against this bill to clean up the slums and provide good housing.

In the committee, as upon the floor of the House, and in the newspapers and on national radio hook-ups, the gentleman from Kansas has carried the brunt of the fight for his faction of his party. Whether the result of the elections of 1948, in which housing was a major issue, determined the change in faces and in names, or whether those who had been to the forefront against public housing in the Eightieth Congress did not wish for party reasons to clash too prominently with the members of their party which championed the housing bill in the Senate—Senator TART, Senator TOBEY, and others—I, of course, do not know.

But, whatever the reason, the distinguished gentlemen whose names were mentioned oftener in the campaign of 1948, in connection with the failure of the Eightieth Congress to act in the presence of an unprecedented housing shortage, have in this debate participated in less measure and have left much of the job to the distinguished gentleman from Kansas.

Therefore, what my friend and colleague from Kansas says must be accepted as a statement of the highest authority.

Every argument against this bill having been thoroughly and conclusively answered, the gentleman from Kansas came into this well with what was left. He devoted his entire argument to placing the blame for the slums upon the unfortunate men, women, and children who live in those slums. He came with a picture of some painted-up, dolled-up houses in the slums and told us that everything in the slums could be just as nice and pretty if the women in the slums were better housekeepers and the men and children in the slums were tidier.

I listened with amazement as the gentleman from Kansas spoke. Here, indeed, was an acknowledgment from the high command of the faction of the Republican Party opposing this bill that there was no valid argument to be offered in opposition. Forced to the last wall, the gentleman from Kansas fired his final shot—at those unfortunate men, women, and children who live in the slums. They were to blame; they deserved nothing.

Might I suggest to the gentleman from Kansas that to paint a house does cost

money for paint? Might I suggest that even a bar of soap costs money, and if my fingernails have no dirt under them it does not mean that my neighbor, living in the slums, has less desire to be well groomed, but just does not have the money to buy soap? Might I suggest that my neighbor's wife, living in the slums, might, indeed, be the best housekeeper in all the world if she had the pennies to buy the necessary household items and a lighter burden of cares and worries and work?

Mr. Chairman, I think this body will not accept the concept of the gentleman from Kansas. Most of us, I think, will join with Senator PAUL DOUGLAS in his conclusion in the current issue of Collier's:

The 15,000,000 or more Americans who live in the blighted areas are not inferior to the rest of us. They are only less fortunate.

I wonder if the gentleman from Kansas was speaking yesterday for the soul of a great State which in the yesterdays contributed as much, if not more, to the expanse of human understanding and contentment than any other State in the Union. I wonder if when the gentleman from Kansas was speaking yesterday, blaming the slums upon the unfortunate men and women and children who live in the slums, there came to his mind for one fleeting moment the thought of a great son of Kansas who wrote a book which, it is said, enjoyed a larger circulation than any book ever printed in the English language except the Bible—In His Steps, a story of what Christ would do if he were here with us today, sharing in the solution of our daily problems.

I want to think, and I do think and shall continue thinking, that the man from Kansas who wrote In His Steps, spoke the soul of Kansas and of us all.

There are slums because man has not always measured up to the command to love his neighbor as himself. There are slums because of many things to which we all contribute. And the men, women, and children who live in the slums demand our attention—unless we elect, in a sense of our superiority over the teachings of the Christ we profess, not to follow in His steps.

I am glad the gentleman from Kansas [Mr. COLE], speaking with the authority of leadership, has clarified the issue.

(Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. PHILLIPS of California:

On page 7, beginning line 19, strike out through line 11 on page 9 and insert in lieu thereof, the following:

"(e) to provide funds for loans under this bill, there is hereby authorized to be appropriated to the Administrator not to exceed \$25,000,000 for the fiscal year ending June 30, 1950, and additional sums not to exceed \$225,000,000 for the fiscal year ending June 30, 1951, and not to exceed \$250,000,000 for



each of the fiscal years ending June 30, 1952, 1953, and 1954."

On page 9, line 12, strike out the letter "(g)" and insert "(f)."

On page 43, line 6, amend section 205 A, by adding at the end thereof a new sentence as follows: "No contract for contributions under this act shall hereafter be entered into by the Authority except following specific appropriation by the Congress of funds for the first year's annual contribution called for by such contract."

(Mr. PHILLIPS of California asked and was given permission to revise and extend his remarks.)

Mr. PHILLIPS of California. Mr. Chairman, the third section of this amendment is the important section and since it comes at page 43, I ask unanimous consent that the three sections may be considered together at the present time and voted upon together. The first two sections are only the corrective language which would follow if the final section were adopted.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS of California. The final section says that before these contracts are entered into, they shall be brought before the appropriate committee of Congress for approval. In other words, if we are to enter into long-term contracts for loans, or for the housing program, then at least at the start they should be brought to the Congress for approval and not completely bypass the constitutional provisions already discussed in the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 119, noes 131.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 12, line 19, after "time", insert a new subsection:

"to give preference in the selection of tenants for the dwelling units built in the project area to families displaced therefrom because of clearance and redevelopment activity, who desire to live in such dwelling units and who will be able to pay rents or prices charged other families for comparable dwelling units built as part of the same redevelopment."

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. POWELL. Mr. Chairman, this is a very simple amendment. It simply says that when you clear a slum, the people whom you put out will have the first chance to go back when the housing development has been completed. I think it is elemental and call for its passage.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. MARTIN of Massachusetts. I think the gentleman has made a very fine statement, and I agree with him.

Mr. POWELL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I withdraw the point of order and ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 199, noes 41.

So the amendment was agreed to.

The CHAIRMAN. Under the motion previously agreed to, all time for debate has expired. Members who desire to offer amendments may offer them at this time, without debate.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Mr. Chairman, I have at the desk an amendment exactly in the same words as the amendment offered by the gentleman from New York [Mr. POWELL]. I ask that that amendment be withdrawn at this time.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. SCUDDER. Mr. Chairman, I offer an amendment which is at the desk.

The CHAIRMAN. The Clerk will recopied the amendment.

Mr. SCUDDER. May I speak on the amendment, Mr. Chairman?

The CHAIRMAN. No. Time for debate has expired, but the Clerk will report the amendment.

The Chair is informed that the amendment which the gentleman has at the Clerk's desk is to the next title, and therefore is not in order at this time.

Mr. BENNETT of Florida. Mr. Chairman, I have an amendment very similar to the amendment offered by the gentleman from Florida [Mr. SMATHERS] except that it deletes any time provision. In other words, it provides for a general public hearing but it does not require it to be mandatory, and the decision binding. Would that amendment be in order at this time?

The CHAIRMAN. The gentleman may offer his amendment.

Mr. BENNETT of Florida. I offer the amendment, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: On page 18, after line 16, insert "No land for any project to be assisted under this title shall be acquired by the local agency except after public hearing and following notice of the date, time, place, and purpose of such hearing."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 128, noes 128.

Mr. SIKES and Mr. WOLCOTT demanded tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BENNETT of Florida and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 167, noes 164.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 24, following line 17, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

"SEC. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1940.'"

And renumber title II, title III, title IV, and title V as title III, title IV, title V, and title VI, respectively; and renumber the sections in said titles accordingly.

Mr. SPENCE. Mr. Chairman, this amendment extends title I—

Mr. WOLCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Do I understand that this is an amendment to title I?

Mr. SPENCE. Title I of the National Housing Act.

Mr. WOLCOTT. The gentleman said it was an amendment to title I.

Mr. SPENCE. It extends title I of the National Housing Act for 60 days after its expiration. It extends section 608, title VI, for 60 days.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry. Is it an amendment to title I of H. R. 4009?

Mr. SPENCE. No.

The CHAIRMAN. It is an amendment preceding title II.

Mr. WOLCOTT. Then the amendment is open to debate.

The CHAIRMAN. The gentleman is correct.

Mr. SPENCE. This is an amendment to stimulate private enterprise. There has been a general demand for the extension of title I and section 608 of title VI of the National Housing Act. There has also been a general demand for an increase in the authorization of insurance in title II. This amendment extends for 60 days title I and section 608 of title VI of the National Housing Act in order that the committee may study the necessity for the further continuance of these two titles with a view to bringing in a bill for that purpose.

This demand has been made generally by the builders and the people interested in construction in the United States, and I know it meets with general approval. It means a stimulation of private enterprise.



Title I of the National Housing Act provides for insurance of remodeling, repairs, and improvements, and the construction of the smaller homes, and the insurance of these homes up to \$4,500, which would be a \$5,000 home.

Title VI is the rental housing provision, under which all of the rental housing under FHA is now being built.

Title II is permanent legislation, but the authorized insurance has about been exhausted. Unless there is increased authorization the functions under title II will cease, I am told, in the near future. Therefore, we have provided for an increase in the insurance authorization in title II of \$500,000,000, in order that it may continue to function to stimulate private enterprise in the future as it has in the past.

As I said, title I and title VI expire on June 30, and will cease at that date if this amendment or similar legislation is not passed.

Mr. Chairman, I ask for a vote on the amendment.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask my esteemed chairman, the gentleman from Kentucky, whether the other body has not already acted on the substance of his amendment in Senate Joint Resolution 109.

Mr. SPENCE. I think it has, and that would be an assurance that they will agree to this bill.

Mr. WOLCOTT. I do not know whether or not they will agree to the bill.

Mr. SPENCE. It is at least an assurance that the Senate is in favor of the provisions of the amendment.

Mr. WOLCOTT. I do not believe there would be any objection to the provisions of Senate Joint Resolution 109, which does what the gentleman offers to do in this amendment. I suggested yesterday to somebody, I have forgotten now who it was, that as far as I knew there was no objection to these amendments. There was no objection to the present consideration of Senate Joint Resolution 109. I feel very keenly the fact that the leadership should give consideration to taking up Senate Joint Resolution 109 because this authority expires on the 30th of this month. In all probability, the bill H. R. 4009 cannot clear this House and conference, even if it passes this House, and get back here in time to keep title I and title VI in effect. So I would suggest to the leadership that there would not be any objection if when we rise tonight they ask unanimous consent to take up Senate Joint Resolution 109.

I am sure there would be no objection to the consideration of it and in that way we send the matter directly to the President with assurance that there would be no postponement in the activities of the FHA with respect to titles I and IV. I do not see any particular objection to the amendment. There is no objection to the passage of Senate Joint Resolution 109.

I think we should have in mind that this law expires the day after tomorrow

and there is no probability that we can get the bill, H. R. 4009, to the President before that time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Placing it in this bill does not detract from Senate Joint Resolution 109. I do not see any objection to using both barrels of the gun. I am sure that this legislation will pass and that will end the matter.

Mr. WOLCOTT. I do not see any chance of it missing if Senate Joint Resolution 109 is taken up.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Has the gentleman from Michigan concluded?

Mr. WOLCOTT. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York will state his parliamentary inquiry.

Mr. KEATING. Mr. Chairman, I intended to offer an amendment as a last title to the bill which would extend titles I, II, and VI for a 1-year period and make financial provisions for that purpose. May I inquire of the Chair whether it would be in order to offer that amendment later or whether it must be offered now as a substitute for the pending amendment?

The CHAIRMAN. The Chair is unable to respond to the parliamentary inquiry, because the Chair has no idea of what the gentleman's amendment contains.

Mr. KEATING. Then, Mr. Chairman, for the sake of safety I shall offer my amendment now as a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: Page 24, line 18, add a new title II reading as follows:

"TITLE II—AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

"SEC. 601. This title is designed to supplement and amend existing systems of mortgage insurance under the National Housing Act, as amended, and other existing Federal aids to privately financed housing, in order to bring such housing within the financial means of more of the people, including larger families. To this end the amendments provide incentives to produce more such housing at the lowest achievable capital costs by making available for such housing more liberalized financing which will reduce the monthly costs of housing.

#### "TITLE I AMENDMENTS

"SEC. 602. Title I of the National Housing Act, as amended, is amended as follows:

"(a) Section 2 is amended—

"(1) By striking out of the first sentence of subsection (a) thereof '1949', and inserting in lieu thereof '1950';

"(2) By striking out the last sentence of subsection (a), and inserting in lieu thereof the following: 'The aggregate amount of principal obligations of all loans, advances of credit and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed \$1,200,000,000.'

#### "TITLE II AMENDMENTS

"SEC. 603. Title II of the National Housing Act, as amended, is amended as follows:

"(a) Section 203 (a) is amended by striking out the proviso '\$4,000,000,000', and in-

serting in lieu thereof '\$5,500,000,000', and by striking out '\$5,000,000,000', and inserting in lieu thereof '\$7,000,000,000'.

"(b) Section 203 (b) (2) (D) is amended—

"(1) by striking out '\$6,000' where it appears and inserting in lieu thereof '\$7,600';

"(2) by inserting the following new proviso after the first proviso thereof: 'And provided further, That with respect to single-family residences, which include more than two bedrooms, the principal obligation of the mortgage, as aforesaid, may be increased by an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom.'

"(c) Section 203 (b) (3) is amended by striking out in the proviso the words 'twenty-five years' and inserting in lieu thereof 'thirty years,' and by striking out the words 'thirty years' and inserting in lieu thereof 'thirty-five years,' and by striking out the period at the end thereof and inserting a colon and the following additional proviso: 'And provided further, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'

"(d) Section 203 is amended by adding the following new subsection at the end thereof:

"(g) No mortgage (i) covering a dwelling which is approved for mortgage insurance prior to the beginning of construction, or (ii) having as the mortgagor the initial occupant of the dwelling, shall be eligible for insurance under this section unless the principal contractor shall provide a warranty (and be liable for any breach of such warranty of which the contractor is notified within a period of one year following the completion of the dwelling), for the benefit of the mortgagor and of subsequent owners of the dwelling, at such time and in such form as shall be prescribed by the Administrator, against structural and other defects in construction, faulty materials, or workmanship, and any violation or breach of, or noncompliance with, any specifications, covenants, or conditions set forth in any of the construction contracts, or any technical standards of construction and design prescribed or approved by the Administrator: *Provided*, That the provisions of this section shall not be applicable to mortgages the application for insurance of which has been made prior to the date of enactment of this subsection.'

"(e) Section 207 (c) (2) is amended—

"(1) by striking out '90 per centum' and inserting in lieu thereof '95 per centum' and by striking out '95 per centum' and inserting in lieu thereof '100 per centum.'

"(2) by deleting from the second sentence thereof the words 'forty years' and inserting in lieu thereof the words 'forty-five years,' and by adding at the end of that sentence the following proviso: 'Provided, however, That the maturity of the mortgage shall not exceed the estimated period of the useful life of the property.'

"(f) The following new section is added at the end of title II:

"SEC. 213. With respect to mortgages insured under section 203 (b) (2) (D) which involve a mortgage with a principal obligation of not to exceed \$8,000 (except that with respect to any single family residence which includes more than two bedrooms, the principal obligation of the mortgage may be increased by an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom) on a property purchased for occupancy by a veteran of World War II and his immediate family, no premium charge shall be made to any such veteran hereafter for the insurance of such mortgages under this title, but in the case of such mortgages, the premium that would otherwise be chargeable shall be paid into the insurance fund by the Administrator out of funds which are hereby authorized to be appropriated out of



the Treasury in such amounts as may be necessary for such purposes."

#### "TITLE VI. AMENDMENTS

"SEC. 604. Title VI of the National Housing Act, as amended, is hereby amended as follows:

"(a) Section 603 (a) is amended—

"(1) By striking out of the first proviso '\$5,750,000,000', and inserting in lieu thereof '\$6,150,000,000', and by striking out '\$6,150,000,000', and inserting in lieu thereof '\$6,650,000,000'.

"(2) by striking out of the second proviso 'June 30, 1949' in each place where it appears therein, and inserting in lieu thereof June 30, 1950."

"(b) Section 608 (3) is amended by adding the following proviso at the end of the second sentence thereof: 'Provided, That the period of amortization shall not exceed the period of the estimated useful life of the property, but in no event more than 45 years'.

"(c) Section 609 is amended—

"(1) by adding the following sentence at the end of subsection (a) thereof: 'To achieve these objectives of modern mass production, the Administrator shall exercise his powers under the National Housing Act, as amended, in a manner which will assure uniformity and standardization in the requirements for mortgage insurance (except for variations required by climatic or other differences of geographical areas); and enable the necessary accumulation of a balanced inventory for mass production.'

"(2) by adding the following proviso at the end of subsection (c) thereof: 'Provided, That in order to assure the continued availability of the proceeds of the loan until its scheduled maturity of 1 year, the Administrator may consent, at the time the loan is made, to the later assignment of additional purchase contracts in substitution for other purchase contracts or for the proceeds of the sales of houses delivered thereunder.'

"(d) Section 611 (b) (3) is amended—

"(1) by striking out '80 per centum' from subparagraph (A) thereof and inserting in lieu thereof '90 per centum'; and

"(2) by striking out of subparagraph (B) thereof '\$6,000 or 80 per centum of the valuation, whichever is less, with respect to each single-family dwelling', and inserting in lieu thereof '\$8,000 or 90 per centum of the valuation, whichever is less, with respect to a single-family dwelling which includes two or less bedrooms, plus an amount not to exceed \$1,000 for a third bedroom and a like amount for a fourth bedroom.'

"(3) by adding at the end of said section 611 the following new subsection:

"(e) In order to facilitate the marketing of mortgages insured under this section and to accomplish the purpose hereof to improve financing operations on large-scale construction or erection operations, the mortgage insured hereunder shall cover, during the construction period, all the dwellings and properties involved: *Provided*, That upon the completing of such construction, the mortgage covering such properties may be replaced by individual mortgages covering each individual dwelling and property involved; such individual mortgages may be insured under this section with the mortgagor being either the builder who constructed the dwellings or the owner and occupant of the property at the time.'

#### "SERVICEMEN'S READJUSTMENT ACT AMENDMENT

"SEC. 604. Section 500 of the Servicemen's Readjustment Act of 1944 as amended, is hereby amended by adding at the end of subparagraph (b) the following proviso: 'And provided further, That in the case of real-estate loans on housing the loan shall be payable during a period which will not exceed the estimated period of the useful life

of the property (but in no event to exceed 30 years), and no loans on new housing construction started after the date of enactment of this amendment shall be guaranteed hereunder, unless the mortgagee certifies that the housing with respect to which the mortgage was made meets the construction standards prescribed for insurance of mortgages on the same class of housing under the National Housing Act, as amended.'

SEC. 605. (a) Paragraph (E) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, is amended by adding the following proviso at the end thereof: 'Provided, however, That in order to avoid further increases in interest rates on new construction of housing and to provide for necessary strengthening of the secondary market on mortgages on such housing, this second limitation on the percentage of mortgages which can be purchased by the Association from any one mortgagee shall not be applicable with respect to such mortgages on new construction as are insured under the National Housing Act, as amended, or guaranteed as insured under the Servicemen's Readjustment Act of 1944, as amended, after the date of the enactment hereof.'

(b) Section 301 (a) of the National Housing Act, as amended, is amended by adding the following subparagraphs at the end thereof:

"(3) to utilize its powers to purchase insured or guaranteed mortgages, as aforesaid, with special emphasis on providing a market for mortgages with longer maturities and lower interest-rates in order to encourage necessary reductions in the monthly costs of housing.

"(4) to make real-estate loans which are accepted for insurance under the provisions of the second proviso of paragraph (2) of section 207 (c) of this act."

The CHAIRMAN. The gentleman from New York is recognized in support of his amendment.

Mr. KEATING. Mr. Chairman—

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, on January 27, 1949, I, together with nine of my Republican colleagues in the House of Representatives introduced a housing bill. We did so because we believed that the general welfare of our Nation and the health and living standards of our people required housing production and related community development sufficient to remedy the serious housing shortage; the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization, as soon as feasible, of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth and wealth of our Nation. By introducing this bill, we were consistent with the pledge of the Republican Party platform of 1948 which said:

We recommend Federal aid to the States for local slum clearance and low-rental

housing programs only where there is a need that cannot be met either by private enterprise or by the States and localities.

Our bill carried out this Republican Party platform pledge.

An attempt was made on the floor of the House yesterday to substitute our bill for the Administration's housing bill, H. R. 4009, but the substitute was defeated.

I believe that many of the features of our bill will be put into H. R. 4009 before we are called upon to vote on it.

I am firm in the belief that while private enterprise has done an excellent job in the past several years, the Federal Government must do its full share to alleviate the still acute housing shortage. By eradicating slums, we will curb juvenile delinquency, and better the health standards of the people who were forced to live in those areas by economic necessity.

In this belief, I am not alone, as the following list of organizations believe public housing is necessary: American Legion, Veterans of Foreign Wars, American Federation of Labor, Congress of Industrial Organizations, League of Women Voters, Congregational Christian Churches of the U. S. A., Council for Christian Social Progress of the Northern Baptist Convention, Women's Division of the Methodist Church, United Council of Church Women, Division of Social Education and Action, Presbyterian Church, National Council of Negro Women, National Board of the Young Women's Christian Association, National Conference of Catholic Charities, National Council of Jewish Women, National Association of Parents and Teachers, National Urban League, National Association of Rural Housing, National Farmers Union, International Association of Machinists, National Lutheran Council, American Veterans Committee, Jewish War Veterans, Amvets, United States Conference of Mayors, American Municipal Association, American Association of Social Workers, American Council on Education, American Home Economics Association, National Women's Trade Union League, National Association of Municipal Law Officers, National Federation of Settlements, American Council on Human Rights, Family Service Association of America.

In addition to the above names, I have received telegrams from Mayor Dowd, of Buffalo; Mayor Duffy, of Tonawanda; Mayor Rengueberg, of Lockport; and Mayor Rosinski, of North Tonawanda, urging that I support this public housing measure. To date, I have not heard from the mayor of Niagara Falls, although I have wired him on several occasions for his opinion.

Recently my attention has been drawn to several advertisements which appeared in local newspapers calling the housing bill political, un-American, bureaucratic, and socialist. They were paid for by the Committee Opposed to Public Housing, and upon investigation I found that the Committee Opposed to Public Housing consisted of a very small group of real-estate men and men engaged in the building industry.



Those who know me know that I would never vote for any measure that is un-American, bureaucratic, or socialist.

I would like to point out that this bill passed the United States Senate on April 21, with 57 affirmative votes and only 13 votes were cast in the negative. Among the 57 Senators who voted for the bill were such distinguished men as SALTONSTALL, TAFT, VANDENBERG, IVES, and BREWSTER. A total of 24 Republican Senators in all voted for it. This cannot be considered as political with such bipartisan support.

The cost of this legislation has been greatly exaggerated, as the Bureau of the Budget has estimated that the actual complete cost would not exceed \$10,000,000,000 over a 40-year period. Compare that with a 4-year foreign-aid program which costs the taxpayers of our Nation \$17,000,000,000, almost twice the cost of our public housing program, which will be used to build critically needed homes for Americans.

I would like to point out also that the Government does not build public housing. Every public housing project is built by responsible private building companies who competitively bid for each contract assuring the lowest cost. Every dollar spent for public housing goes directly into private industry. Ten billion dollars' worth of orders for brick, cement, steel, lumber, plumbing and electrical goods, glass, and paint will flow into private industry. Hundreds of thousands of private jobs will be saved at a time when unemployment is approaching the danger point, and public housing can only be built in an area where the local authorities certify to its need.

I have felt that the people of my district who are overwhelmingly in favor of this program are entitled to the facts.

I intend to vote for this measure.

Mr. KEATING. Mr. Chairman, I assure the committee that it will not take as long to explain this amendment as it took the Clerk to read it. In summary, it is an amendment intended to furnish incentives and give what I feel is proper regulation to the efforts of our private building industry to meet the housing shortage in this country. I believe provisions of this general nature should be a part of any housing measure.

It had been my intention to offer this amendment at the end of the bill as a new title, but in view of the uncertainty of the parliamentary situation I feel now it should be submitted as a substitute for the proposal of the committee.

The committee has suggested an extension for 60 days of titles I, II, and VI of the National Housing Act, and for a provision of \$500,000,000 under title II to carry the mortgage insurance features for that 60-day period.

In substance, this substitute extends the act for 1 year instead of 60 days and makes the appropriate and necessary financial provisions to accompany such extension, as near as we can work them out with the help that I had from experts who should know the subject. In this respect, it provides an additional \$200,000,000 to be available under title I, an additional \$1,500,000,000 to be made available under title II, and an additional

\$400,000,000 to be made available under title VI. None of these, of course, involve any appropriation of funds.

It also liberalizes and enlarges the provisions of titles II and VI to do many of the things which private builders have emphasized are needed in order to enable them to make their contribution to an over-all housing program effective. For instance, the principal amount of mortgages which are eligible to qualify for mortgage insurance is increased. There is this new provision about a thousand dollars extra for additional third and fourth bedrooms.

The maturity of the mortgages eligible for insurance is extended for 5 years. There is a guaranty of construction by the contractor as a condition of eligibility. The period of amortization of the loans under title VI is extended from a discretionary period, which is now said to average 33 years, to 45 years, with the proviso that in no event shall the mortgage run beyond the estimated useful life of the property.

Then it has a very important provision in regard to the Servicemen's Readjustment Act which many of you have encountered, I feel sure. Under existing law, the Government is precluded from taking an assignment of these veterans' mortgages from any one mortgagee beyond one-half of those issued to any one bank or lending institution. This amendment removes that restriction, so that there is provided an additional secondary market for these loans under title VI.

The adoption of this substitute would go a long way toward reopening the market for these loans and would be a definite spur to the private building industry of this country.

One objection that may be made and has been made to extending the secondary market is that it might be abused. There is nothing in this that says the secondary market shall be so enlarged that the Government will take 100 percent of the loans. That would be unwise. Presumably responsible administrators never would do that. But the existing restriction of 50 percent is eliminated by this amendment.

Time does not permit further elaboration of the provisions of this amendment. The most important aspects were covered in my remarks yesterday in support of the Bolton substitute. While the concession made by the chairman of the Banking and Currency Committee is substantial and I am gratified that he and the members of his committee have become convinced of the necessity for a 60-day extension of the National Housing Act, his suggested amendment is only an inadequate stopgap. The opportunity is here presented through my substitute to incorporate in this housing legislation constructive provisions which have wide acceptance among those who recognize the seriousness of the housing problem, but are also solicitous about the encouragement of private enterprise to meet the need to the very limit of its resources and capabilities.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman on behalf of the committee has offered as an amendment the pertinent points that are contained in Senate Joint Resolution 109 which passed that body quite recently. Believing that the offering of that amendment, if adopted and made a part of H. R. 4009, will have the effect of killing the possibility of the passage of Senate Joint Resolution 109 in June, I oppose his amendment. His action indicates the determination of the leadership not to pass Senate Joint Resolution 109 but to adopt this method of securing the passage of H. R. 4009 with that provision in it. I simply want to state I shall object to the passage of Senate Joint Resolution 109 by unanimous consent. The leadership may, if it sees fit, secure a rule on Senate Joint Resolution 109 or take a chance on its passage in the bill now before us. I like very much to have legislation presented properly so that the issue is clearly before us. The issue here is housing. It is not the extension of the provisions of law presently existing, as provided in Senate Joint Resolution 109.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to call the gentleman's attention to the fact that Thursday will be June 30 and Friday will be July 1. Now, it is understood that we are not going to have legislation on Friday, July 1. The chairman of the committee should be warned now he has time enough yet today to bring in Senate Joint Resolution 109, otherwise the benefit to thousands of veterans wanting loans will expire. This amendment cannot give life to Senate Joint Resolution 109. Does the gentleman from Kentucky [Mr. SPENCE] believe that those who have been lending money under existing law, but which law expires June 30, will take the chance of lending after June 30, unless the old law is reenacted, or its dates extended before the old law expires?

Mr. SIMPSON of Pennsylvania. It is perfectly obvious, I will say to the gentleman, that H. R. 4009 cannot and will not become law by July 1. The administration, by choosing this method of pretending to be for Senate Joint Resolution 109, is not being fair to the building public, to private industry, who do need those benefits. I urge the defeat of the amendment, and the passage of Senate Joint Resolution 109.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, the substitute to the amendment amends almost the entire existing National Housing Act. It is involved. I doubt if any Member here, by the reading of that substitute, knows just what is in it. The FHA has been a very useful instrumentality. It has given stimulation to private enterprise. It has worked well. It has been well drawn and carefully considered. Certainly, the House is not going to adopt a far-reaching amendment such as this without con-



sideration, an amendment that fundamentally may change the operations of the FHA, and without an opportunity to study its provisions. The gentleman complains about the amendment which I have introduced. That amendment is simple. Every Member here knows what is in that amendment. But, I challenge them to tell us just what is in the amendment offered by the gentleman from New York, or how far there has been any real consideration for the adoption of that amendment or whether the people that have the duty of discharging the functions of this organization have ever been consulted. There have been no hearings. Certainly, the House does not intend to adopt a substitute so far reaching, and of such great effect, without any consideration at all.

Mr. Chairman, I ask that the substitute be voted down.

Mr. CHURCH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I take this time to ask the chairman of the committee, Mr. SPENCE, this question: Referring to the amendment that the gentleman has just offered, does not that law expire June 30, which is Thursday of this week?

Mr. SPENCE. That has been said and reiterated and reiterated. It does expire on June 30.

Mr. CHURCH. If you place the extensions of those titles in this bill, and the bill is not signed before June 30, then would not the gentleman's amendment fail as the law sought to be extended will have already expired? In other words, does the gentleman believe you can extend an expired law?

Mr. SPENCE. Several times the expiration period has been passed before legislation has been adopted. It is effective from the date of the expiration. The Bible says, "Sufficient unto the day is the evil thereof." Do not worry about June 30. We will have some legislation.

Mr. CHURCH. We are dealing with law here now, not the Bible.

Mr. JAVITS. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, we are here to see that not any one party or any one group arrogates to itself the mantle of responsibility for passing this legislation. We are here as legislators to see that we get a housing bill that is comprehensive and adequate to the need. I think it is very clear to all of us that if we pass this bill we will not be meeting the needs fully. We will still be leaving open a great area of activity which is filled by private enterprise in housing.

It has been our aim on this side of the aisle, as shown by the amendment proposed by my colleague from New York to the committee's amendment, to make this a comprehensive housing bill and to do at one time what so many of the Members who have spoken in favor of this bill tried to do for so many years in the well-known Taft-Ellender-Wagner bill. We do not believe that the cause of housing for the American people is being adequately served by acting in a partial way. We respectfully submit that it is acting in a partial way by the 60-day amendments—I characterize them in that fashion—which have been offered by the

committee with respect to the FHA mortgage titles. We believe it is acting in a comprehensive way by the substitute amendment offered by my colleague from New York.

We do not agree that absence of consideration of the substitute by the legislative committee is a proper objection. Our bills have been before the committee for 6 months now. I testified to the bill containing this title myself before the committee. The fact that the committee has given it no consideration, is not the fault of the House or of the Committee of the Whole, and the legislative committee must take its chances that the House may see fit now to legislate, even though the committee has not seen fit to consider the matter comprehensively.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Connecticut.

Mr. LODGE. May I point out to the gentleman that the chairman of the Committee on Banking and Currency has raised no substantive objection to the amendment offered by the gentleman from New York [Mr. KEATING]. His objection is based solely on the fact that there has not been adequate consideration of it. I should like to find out how we can possibly have bipartisanship on this issue if no Republican bill can ever receive consideration by the Committee on Banking and Currency.

Mr. JAVITS. I would express the hope that Members on both sides of the aisle, and I emphasize that, will look at this amendment objectively and will vote on it objectively in the interest of housing, bearing in mind that votes from both sides of the aisle will be needed to pass this bill finally.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MULTER. I am sure the gentleman knows, as does the gentleman from Connecticut [Mr. LODGE] that there have been bills similar to this proposed substitute introduced by Members on both sides of the aisle. They have all been assured by the chairman of the committee, as we were all assured on the floor of the House, that all those bills will be called up for hearing by our committee and they will all be considered, as they should be considered, regardless of where they emanate from. In due time they will be presented to this House for further action. This issue should not be complicated with an attempt to make permanent temporary provisions of the National Housing Act. It is enough to take the suggestion of our chairman, I believe, that we extend for 60 days these provisions, and in that 60-day period we can consider making the legislation permanent.

Mr. JAVITS. As far as this issue is concerned, we are not trying to make it partisan at all. On the contrary, we have assured all people who are interested in housing that we are supporting housing as such. We ask for the support of this amendment solely on that basis. I might say to the gentleman I and many other Members of the House have a deep

affection for the chairman of the committee. I have learned to know him well. He has been wonderful to all of us. But the text of his assurance is too uncertain, and we do not feel that the assurances that we were given as to committee hearings, give any assurance that there will be passage of this particular title, as we have proposed it in this session of Congress when it is so urgently needed.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we are arguing at cross purposes, which is unnecessary. Certainly there is no evidence of partisan consideration in the deliberations on this bill. Members honestly take positions in accordance with their views. I would hesitate to give way to any argument along the line that among those who favor this legislation on either side there is any sort of partisanship.

The gentleman from Kentucky, chairman of the committee, has stated that the question of the extension of titles I and VI and further legislation with reference to title II of the Federal Housing Act will be considered by his committee. We all know that the Committee on Banking and Currency is a very busy committee. I commend the Members, all of them, for the zealotness with which they performed their duties. But certainly there is no committee of the House busier than the Committee on Banking and Currency. We are all human, and as human beings there is just so much that can be done. The gentleman from New York [Mr. KEATING] has offered a substitute amendment. We all respect him. I cannot argue against the substitute because I do not know just how comprehensive it is and how broad a field it covers.

But it seems to me, in the light of the statement made by the chairman of the Committee on Banking and Currency, knowing that his word is his bond, all Members of the House can accept his statement that the committee will address itself immediately to the consideration of titles I and VI and such further consideration as may be necessary for title II.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. It does seem to me it is quite obvious that the over-all bill which we are now considering and which will have to go to conference cannot be finally passed and sent to the White House, if it is to be sent, before the expiration date. Why would it not be in the interest of orderly procedure that when we get back into the House this afternoon unanimous consent be asked for the immediate consideration of Senate Joint Resolution 109, thus making sure that the extension is voted on and accomplished before the expiration date?

Mr. McCORMACK. I think the inference of the gentleman is correct with reference to the date of June 30. But certainly there is no immediate necessity for the extension legislation. There have been times when a law was about to expire and the intention was announced to continue it and there was no disturb-



ance in the continuance of the agency. I recognize there is logic behind the gentleman's suggestion, and also recognize there is logic behind the suggestion that this is a comprehensive housing bill and includes not only public housing and low-cost or slum-clearance housing, but the amendment offered includes private enterprise. I am sure my friend from Indiana is too astute and too practical not to recognize that if we pass one part, which relates to the stimulation of private enterprise, and which private business wants, then somewhere along the line, particularly in conference, when you have to take bills from the Speaker's desk by unanimous consent, and go through other parliamentary maneuvers, there might be a serious danger to the bill reported out of committee, and now pending.

So there is no harm done in the method employed by the committee and by the chairman of the committee who is following the instructions of the Democratic caucus, not of a partisan nature, but to strengthen the bill.

There is no danger going to happen to a continuance of activities. From the angle of those who support the bill, the amendment offered by the gentleman from Kentucky is a stimulating and constructive influence. The fact that those who oppose the bill suggest the other method should prompt those of us who support the bill to view it not from the angle of the high motives probably intended by those who offer the suggestion, but from the human angle of just a little justifiable suspicion.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCormack] has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCormack. Yes, I yield.

Mr. HALLECK. I just wanted to see if the gentleman from Massachusetts would not join with me in assuring everyone that in the event the amendment offered by the gentleman from Kentucky [Mr. Spence] is adopted and included in this legislation, if some of us finally vote against the legislation it shall be understood that we are not opposed to the extensions contained in the Senate joint resolution.

Mr. McCormack. No. Of course, the gentleman from Indiana can always rely upon the fact that the Democratic leadership and the Democratic Party does what it ought to do.

May I ask my friend from Indiana, once a majority leader always a majority leader, and I thoroughly respect my friend, not only as a legislator but personally—may I ask my friend, assuming that we were to adopt his suggestion and separately pass title I and title VI, as provided in the Senate resolution, would the gentleman then vote for the bill that is now pending?

Mr. HALLECK. No.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCormack] has again expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. Keating] to the Spence amendment.

The question was taken; and on a division (demanded by Mr. Keating) there were—ayes 96, noes 140.

So the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Kentucky [Mr. Spence].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: After title I, insert a new title:

#### "TITLE II

"There shall be no discrimination against any person because of race, color, religion, or national origin in the rental or occupancy of any housing constructed under the provisions of this act."

Mr. FULTON. Mr. Chairman, this is an amendment against discrimination, and this is a serious amendment at this time. We should have everybody on record and see just where he stands. This is not just a slim hope that there shall be no discrimination. We people in Pennsylvania, whom I am proud to represent here, have adopted this very provision in our own 1949 housing act. The wording is taken from section 4 (b) of the housing act of Pennsylvania, act No. 493 of the session of 1949 entitled "An act providing and regulating State assistance for housing including slum clearance and redevelopment, and making an appropriation of \$15,000,000."

The administration of Pennsylvania which sponsored this measure happens to be Republican, and our good Governor who signed it, happens to be a Republican, Gov. James H. Duff. We people in Pennsylvania on the Republican ticket said we were for slum clearance and housing, and that we were against discrimination of all kinds. We proved it by putting through the bill with the cooperation of the Pennsylvania Democrats—and pretty good Democrats they are, too. The bill in Pennsylvania was put through on a bipartisan basis, and included a provision that there should be no discrimination in the rental or occupancy of any of the units.

This situation is a little different than it was when an antidiscrimination amendment was previously offered in this body, or the other body, because the Members will remember that I have filed an FEPC bill and I sincerely want it and the present housing bill to go through.

It is also a great deal different because it has shown you that the Pennsylvania Republicans live up to their campaign promises; and, may I add, are able to deliver on antidiscrimination and slum clearance and housing.

The question now arises: Is the Democratic Party nationally able to deliver? Mr. Chairman, let us see if the Democratic Party can deliver.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CHURCH. I intend to vote for the gentleman's amendment. If we are going to spend \$20,000,000,000 on a socialistic-housing program we might just as well have no discrimination. Is that the gentleman's belief? Does he agree with me?

Mr. FULTON. We should have no discrimination. The sooner we come up with a good solid vote that lines people up behind such a program, the better. I am proud of the Republican Party and of the Democratic Party in Pennsylvania for uniting to put this measure through.

Mr. KLEIN. Mr. Chairman, will the gentleman vote for this bill if this amendment does not carry?

Mr. FULTON. Yes; I will vote for the bill regardless of whether the amendment carries. But I think a lot less of people who stand up and say or intimate that if this amendment goes through that the Democratic Party cannot bear the burden of pushing it. And I cannot understand why some prominent Democrats and so-called liberals say to vote against it.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Mr. Chairman, I decline to yield at this time.

I cannot understand why the Democratic organization asks you to vote against one of the principles the party stands for. Here is your chance to get both the principles—housing, with no discrimination. If we in Pennsylvania, a Republican State, can get slum clearance and public housing plus a ban on discrimination, I do not see why the great Democratic Party nationally cannot do the same.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WHITE of Idaho. Is the gentleman familiar with the conditions here in Washington, D. C.?

Mr. FULTON. Yes; I have been through the slums here in Washington, D. C., and they are tragic. I went on a recent special trip that was scheduled on housing, to Philadelphia, and they had tragic slum conditions there. And I also went to New York and saw the terrible slum conditions there.

Mr. WHITE of Idaho. Is the gentleman familiar with the 2-mile-square area from the railroad tracks on one side to Sixteenth Street on the other, from the downtown business district up to Florida Avenue on the north, that great 2-mile-square area right in the heart of Washington that is inhabited almost exclusively by colored people? Does not the gentleman think that the colored race has a little bit the advantage by taking over these fine houses where the colored people have driven the whites out from the central part of Washington and taken a class of apartments and residences they never could have built themselves.

Mr. FULTON. I want to see the colored people of this country made grade



A and class I citizens. We should not envy them their good housing conditions, but encourage every citizen of every race to have good housing.

Mr. WHITE of Idaho. Does not the gentleman think that is being done in Washington?

Mr. FULTON. I am very proud of the progress of the colored people of the United States, including those of Washington.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from North Carolina.

Mr. DEANE. I wonder if the gentleman would not agree this is a move to really defeat the housing legislation now before us, and is not the gentleman's amendment the Bricker amendment which was voted down in the Senate?

Mr. FULTON. It is not the amendment that was voted down in the other body, and is intended to make this bill a real American housing act. My amendment is the exact provision taken from the present Pennsylvania housing statute sponsored by the Republican Party and passed in the 1949 session of the legislature and signed by the Republican Governor, James H. Duff. I am surprised to hear a Democrat make such an intimation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 127, noes 142.

Mr. HINSHAW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. FULTON.

The Committee again divided; and the tellers reported that there were—ayes 130, noes 168.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 24, line 18, add to the new title II the following title III, as follows:

"TITLE III—PRIVATELY OWNED HOUSING FOR FAMILIES OF LOWER INCOME

"PURPOSE

"SEC. 302. This title is not designed to supplant or alter any of the existing systems of mortgage insurance under the National Housing Act, as amended, but is to supplement such systems by a program of direct Federal loans at lower interest rates to meet the housing needs of lower-income families whose needs are now neglected. In providing liberalized credit to reduce the monthly cost of housing for such families, this title contemplates that the housing produced with this liberalized credit shall limit admissions to families whose incomes are below the level where they can afford to obtain housing currently made available under the FHA mortgage system or other existing aids to housing undertaken by private enterprise. The more liberal credit aids hereunder shall be combined with all proper incentives to cost reduction through the adoption of appropriate new materials, techniques, and methods and through increased efficiency in production and management and the elimination of unnecessary restrictive practices

by all concerned in the complex building industry.

"HOUSING LOAN ADMINISTRATION

"SEC. 303. There is hereby established in the Housing and Home Finance Agency, under the Administrator thereof, a constituent unit to be known as the Housing Loan Administration with a Housing Loan Commissioner (hereafter referred to as the Commissioner) at the head thereof with the same salary as other Commissioners in the Housing and Home Finance Agency. The Housing Loan Commissioner shall carry out the functions, powers, and duties prescribed by this title. The powers and authorities conferred upon other Commissioners by section 502 of the Housing Act of 1948 are hereby granted to the Commissioner hereunder with respect to his functions under this title.

"LOANS TO COOPERATIVES AND NONPROFIT AND LIMITED-DIVIDEND CORPORATIONS

"SEC. 304. (a) For the purpose of assisting the development or acquisition of housing projects for families of lower income, the Commissioner may make loans to—

"(1) mutual-ownership or cooperative housing corporations undertaking projects which will be restricted in occupancy to members of such corporation;

"(2) nonprofit corporations; or

"(3) limited-dividend corporations or other housing corporations and redevelopment companies restricted by Federal or State laws, regulations, or contract, so as to conform to the requirements of this title and the regulations of the Commissioner issued hereunder as to rents, charges, capital structure, rate of return, and methods of operation.

"(b) Such loans shall not exceed the development or acquisition cost of such projects and shall bear interest at a rate not less than the going Federal rate of interest at the time the loan is made plus one-half of 1 percent. Such loans shall be secured in such manner as may be deemed advisable by the Commissioner and shall be repaid within a period representing the estimated period of the useful life of the property involved, but in no event to exceed 60 years.

"SEC. 305. The Commissioner shall issue such regulations and retain such rights as will assure that the housing developed or acquired with the aid of loans hereunder, will serve the low-income families as contemplated by this title and otherwise accomplish the purposes hereof. Every contract for a loan under this title shall provide that with respect to the housing to be developed or acquired with the aid of said loan—

"(a) The borrower shall fix maximum income limits for the acceptance of families for occupancy of such housing and that such maximum-income limits and all revisions thereof shall be subject to the prior approval of the Commissioner;

"(b) The families accepted for occupancy of such housing shall be limited to those whose net income at the time of acceptance does not exceed five times the annual rental or housing cost (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwelling to be occupied by such families, except that in the case of families with two or more minor dependents, such ratio shall not exceed 6 to 1. In determining the net income of families, the Administrator may also authorize the exclusion of all or any part of the income of minor members of the family other than the head of the family and his spouse. For the purposes of this subsection, a minor shall mean a person less than 21 years of age;

"(c) In the case of any such housing on which construction is hereinafter initiated, the housing is to be developed in such a manner (1) that such projects will not be of

elaborate or extravagant design or materials, and economy will be promoted both in construction and administration, and (2) that the average construction cost of the dwelling units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this act.

"LOAN FUNDS

"SEC. 306. The Commissioner may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury, in an amount not to exceed \$500,000,000 which limit on such outstanding amount shall be increased by an additional \$500,000,000 on July 1 in each year of the years 1950, 1951, 1952, 1953, and 1954, respectively. The Commissioner may increase or decrease the rate of making loans, depending upon a finding by the President after receiving the advice of the Council of Economic Advisers, that conditions in the building industry justify such increase or decrease, but such additional loan funds shall not exceed \$250,000,000 in any 1 year: *Provided*, That the total notes and obligations outstanding at any one time shall not exceed \$3,000,000,000 without further authorization of Congress. The notes and other obligations issued by the Commissioner shall be secured by the obligations of borrowers and shall be repaid from the payment of principal and interest on the obligations of the borrowers. The notes and other obligations issued by the Commissioner shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

"Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued hereunder and for such purpose is authorized to use a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"SEC. 307. Any contract for loans pursuant to this title shall contain a provision requiring that the principal contractor involved at the site in the construction or erection of housing shall file a certificate or certificates (at such times in the course of construction or otherwise as the Commissioner may prescribe) certifying that the laborers and mechanics employed at the site in the construction or erection of the housing involved have been paid not less than the wages prevailing in the locality for the corresponding classes of laborers and mechanics employed on construction or erection of a similar character as determined or adopted by the Commissioner prior to the beginning of construction or erection of the housing involved,



## "GENERAL PROVISIONS"

"Sec. 308. (a) In the performance of, and with respect to the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions by any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the financial transactions of the Commissioner in the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(3) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Commissioner pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title, other than loans authorized pursuant to section 503, and all funds available for carrying out the functions of the Commissioner under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale or project or part thereof in connection with which he has made a loan pursuant to this title. In the event of any such acquisition, the Commissioner may, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) with respect to any real property acquired and held by the Commissioner under this title which had been subject to taxes immediately prior to its acquisition, the Commissioner shall make payments in lieu of taxes to the State or political subdivisions involved in an amount which shall approximate the taxes which would be payable upon such property in private ownership;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, se-

curity, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved.

"(d) The Commissioner shall make available to eligible borrowers technical and other assistance which they may require in the initiation, development, and administration of their project.

"(e) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

## "VETERANS' PREFERENCE"

"Sec. 309. Every contract made pursuant to this title for loans to nonprofit or limited-dividend corporations and redevelopment companies for housing for lower-income families shall require that such corporation in selecting tenants shall give preference, as among applicants eligible for occupancy of the dwelling and at the rent involved, to families of veterans and servicemen (including families of deceased veterans and servicemen), where application for admission to such housing is made not later than 5 years after the date of the approval of this act, and that, as among applicants entitled to the preference provided in this subsection, first preference shall be given to families of disabled veterans whose disability is service-connected: *Provided*, That this shall not preclude a cooperative, otherwise eligible for a loan hereunder, from building and administering housing for its own veteran or nonveteran members. For the purposes of this section, the term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947.

## "DEFINITIONS"

"Sec. 310. When used in this title—

"(a) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with the housing and nondwelling facilities involved. The term 'development cost' shall comprise the costs incurred by the borrower in such undertakings and their necessary financing (including the payment of carrying charges up to date when the project is completed and ready for occupancy), and in otherwise carrying out the development and initial occupancy of such project. Construction activity may include or be confined to the reconstruction, remodeling, or repair of existing buildings.

"(b) The term 'going Federal rate of interest' means, at the time a loan contract is made, the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) then specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more.

"(c) The term 'families of lower income' shall mean families whose net annual income at the time of acceptance for occupancy of housing assisted under this title does not exceed the limits prescribed pursuant to the requirement of section 305 hereof."

Mr. McCORMACK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that fur-

ther reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, my only purpose in causing the provision to be read is that I do not want to deal with it tonight. I understand the Committee is about to rise, and if we can agree that it will be dealt with tonight, I do not want the amendment read tonight.

Mr. McCORMACK. We have an agreement that title II will be considered as read, and then we will rise and go over until tomorrow.

Mr. JAVITS. If the gentleman will make that consent request, I will be satisfied, if this amendment, as well as title II, is considered tomorrow.

Mr. CANFIELD. Reserving the right to object, Mr. Chairman, does this amendment embrace the proposition sponsored in separate bills by 22 Democratic Members of the House and 20 Members on this side of the aisle?

Mr. JAVITS. It does; by 10 Members on this side of the aisle, however.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I do not want the gentleman from New York to proceed under a misapprehension. The gentleman clearly stated that there was a condition that if the Committee rose and considered his amendment tomorrow he would be satisfied. I cannot permit my consent request to be agreed to unless the gentleman from New York is in complete agreement, because he did put a proviso on it. I did not agree to that proviso, that we would rise and let his amendment be pending tomorrow. Therefore, Mr. Chairman, I ask unanimous consent that the granting of my previous request be vacated so that the gentleman will be in status quo.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I think there are enough Members present in the Committee of the Whole this afternoon who are sufficiently interested in getting housing for the American people that at this time, 5 minutes after 5, they will demonstrate to the American people that at 5 minutes after 5 we are still bright, alive, working, and ready to stay here to do a job for them, and that we do not proceed on the axiom that any amendment which is proposed after 5 will have little consideration.

I hope that the House will give this amendment, which is an important amendment, a housing measure seriously put forth by 32 Members, 10 Republicans and 22 Democrats, serious consideration.



Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I cannot yield at the moment, but will yield as soon as I finish my statement. I know the question that the gentleman is going to ask me, and I will answer it.

This amendment seeks to introduce into this bill now before the House the principal title which was in the substitute amendment proposed by the gentleman from Ohio. I believe an important consideration in the defeat of that substitute in the way it was defeated, I am sorry to say, by a vote dividing strictly along partisan lines, was the fact that for some reason or other it was not desired that the public-housing and slum-clearance provisions also contained in that substitute should be adopted at the same time, but that rather they should be an outgrowth of the administration bill. So I have offered this amendment at this time, as a completely separate title, so as not to interfere at all with the claiming of credit for public housing or slum clearance. I have introduced as a completely separate title this one-unit issue: Shall we or shall we not write a comprehensive housing bill at this time which will take into consideration the needs not alone of the 20 percent of the American people who are in the low-income groups, but of 40 percent of the American people who need housing; the 20 percent in the low-income groups and the 20 percent in the middle-income groups earning on an average \$3,500. That is a unit question and I must say that it is significant that a very substantial number of Members who have been very prominently identified with housing, on the other side of the aisle, have introduced this very same proposal in separate bills.

What is it all about? We did not have very much discussion in connection with the Bolton substitute amendment. Although the committee says that they did not consider it, and I assume that the committee did not, I repeat I testified to this specific bill under this specific title before the committee sometime early in the spring, that is, before the Committee on Banking and Currency. I think the least we can do in fairness to the views of some 32 Members of the House, is to consider what it contains. This title proposes that Federal credit shall be utilized, Federal credit being available at the going Federal rate of interest plus one-half of 1 percent, or now at about 3-percent interest rate, for the purpose of making very long-term loans of as much as 60 years, in view of the type of construction involved, in order to finance the construction essentially of multi-unit housing by cooperatives, veterans' organizations, limited-dividend companies, or redevelopment companies or by other nonprofit corporations. It is the one way that many men of good will who have tried to think this subject through very carefully, it is the one way that they have been able to devise in order to bring the cost of construction down so that rentals might be brought within reach of the family which is not eligible for public housing which, as I said many times before, has no in-

terest in, or desire for public housing. In view of construction costs today, plus the carrying charges, even of FHA mortgages which run in the area of 4½ percent or 5 percent interest for terms of around 25 and 35 years, those conditions just make it impossible for lower middle-income families to enjoy the benefits of new housing construction.

This strikes most heavily at the veteran. There has been an enormous amount of sentiment on the floor of the House for the veterans' homestead bill. It has been proposed by a good many Members and it has been very seriously considered. This title I now propose expresses in different words, but comes through with the same effect and has the impact of that bill. This title provides \$500,000,000 a year for 6 years for these direct long-term loans at very low interest rates. Under this program it is anticipated that the rental of a four-room apartment can be brought down from the present \$90 and more for new construction to \$55 to \$65 per month.

It is very significant that whenever the Government undertakes a program of aiding housing in this fashion, notably through the HOLC, the Home Owners' Loan Corporation, and the FHA, the Government not only has not lost money but made money.

I hope the Committee of the Whole will consider this problem objectively and will enact this title in order to give us at long last a comprehensive housing bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 48, noes 136.

So the amendment was rejected.

The Clerk read as follows:

#### TITLE III—LOW-RENT PUBLIC HOUSING

##### LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planings in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to

the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) or continued occupancy in such housing, such families shall be required to move from the project."

##### VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public housing



agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than 5 years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than 5 years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

#### COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed \$2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

(b) The following is added after section 21:

#### "PRIVATE FINANCING"

"Sec. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary, to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of

principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted; in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted; and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ percent."

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate."

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost."

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions."



(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(1) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.";

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress.";

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project; *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the require-

ment for tax exemption that no annual contributions by the authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and



(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$428,000,000 provided in this act for annual contributions, nor more than 10 per centum of the amounts provided for in this act for grants, shall be expended within any one State.";

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read and open to amendment and subject to points of order at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, was there a vote taken on the Spence amendment?

The CHAIRMAN. There was, and the amendment was adopted.

(Mr. KEATING and Mr. JAVITS asked and were given permission to revise and extend their remarks.)

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4009, had come to no resolution thereon.

WHY WORRY?

Mr. HOFFMAN of Michigan. Mr. Speaker, my colleagues on various occasions have heard me confess that at

times I was somewhat confused by some of the plans and theories urged upon us by well-meaning constituents or by others with a hobby, but we are not alone in being troubled. Recently there came a letter from which I quote as follows:

I received a letter last week that startled me \* \* \* this friend has a son in the Texas Agricultural College—she's very proud of him because he's won cups and such for the college—then she writes about her son's conversation with one of his professors. He tells me that a friend of his among the professors, who got a Nobel prize, tells him that these X-ray foot machines used to fit shoes scientifically will sterilize any child that has them used on it a number of times—the ray is so powerful going through the shoe and all that it travels up and does the damage. Also he says that within 2 years we will not have this bleached flour as the Government has notified the mills they will be given a time to convert over to another process as the present method causes much physical harm—and he says (meaning her son) that this is authentic although not widely known. Also he says one reducing method widely used is taking capsules (the taker not knowing what he is taking) and the capsules contain eggs of the tapeworm. When they hatch and get to work the person gets emaciated in a short time, and then the tape worms are difficult to get rid of—if the patient ever has a doctor who finds out what the real trouble is. Can you beat that?

Tapeworms—well, some of the women had heard of this reducing method. I had not and so was really shocked that there are people who will destroy others to make a dollar. I wonder what the name of this manufactured "remedy" is. Do you know anything about this?

I'd heard of the nice white flour sent to Japan after the war and how sick the Japanese got eating bread made from it. Of course, we Americans have become immunized against aluminum and the white flour we buy and other health destroyers, but it goes hard with people whose bodies have not built up a resistance against these "foods" we eat. I suppose the reason for us now getting good flour is that by all means we must raise healthy sons and daughters for military purposes. I can't figure out any other reason for Government officials getting so alarmed over the health of the common people. I suppose I am an old cat to have this thought, but that's the thought that came to my mind when I read we shall have better bread.

But to sterilize our children with X-ray—I'd heard of this before. This machine is used on children right here. I heard that four such contacts with the machine will sterilize some children. What runs through my mind is this—if (I shall find out if these machines are so dangerous and I am writing some letters of inquiry)—so if such a foot machine sterilizes the sex organs, just what does it also do to our children's stomachs, livers, intestines, gall bladders, kidneys, hearts, lungs, nervous systems, etc.

The writer of this letter, like me, a Congressman, is worried over dangers real and dangers unreal, but threatened or imagined. However, she comes up with a solution to the whole situation, for she concludes her letter by writing:

If we ruin our youngsters who trust us, then, by gosh, we won't have to worry over any tax money—nor will they have to face that problem either—and have, maybe just the "death" part of "Death and taxes we always have with us."

Personally, I am not too greatly worried over these anticipated dangers, for

I think that, even though we get the flour, the tapeworms, and the X-ray foot machine, we, our children, and our children's children who still have, if I may use the expression, guts enough to work our way out of any depression which New Deal fallacious policy, waste, and extravagance, yes, and for good measure I might throw in the efforts of the Communists—may get us into.

#### HOURLY MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### TO SIMPLIFY PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY AND REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON, from the Committee on Expenditures in the Executive Department, submitted the following conference report and statement on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, for printing in the RECORD:

#### CONFERENCE REPORT (H. REPT. NO. 935)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

#### "SHORT TITLE

"That this Act may be cited as the 'Federal Property and Administrative Services Act of 1949'.

#### "TABLE OF CONTENTS

"Sec. 2. Declaration of policy.

"Sec. 3. Definitions.

#### "Title I—Organization

"Sec. 101. General Services Administration.

"Sec. 102. Transfer of affairs of Bureau of Federal Supply.

"Sec. 103. Transfer of affairs of the Federal Works Agency.

"Sec. 104. Records management: Transfer of the National Archives.

"Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

"Sec. 106. Redistribution of functions.

"Sec. 107. Transfer of funds.

"Sec. 108. Status of transferred employees.

"Sec. 109. General supply fund.

#### "Title II—Property management

"Sec. 201. Procurement, warehousing, and related activities.

"Sec. 202. Property utilization.

"Sec. 203. Disposal of surplus property.

"Sec. 204. Proceeds from transfer and disposition of property.

"Sec. 205. Policies, regulations, and delegations.







Jasper L. Van Avery, Jr., O961695.  
Louis J. West, O960475.

The following named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

John E. Bell.  
Phillip L. Mallory.  
John L. Payne, Jr.  
James M. Van Hook.  
Fred W. Wilmot, O947845.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate June 29 (legislative day of June 27), 1949:

#### UNITED STATES AIR FORCE

##### APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named distinguished aviation cadets, who are scheduled to complete their aviation cadet training on July 1, 1949, for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

Robert E. Ainslie	Arthur B. Crawford
James H. Amos	Raymond C. Dodson
Charles F. Anderson	Joseph J. Drach
Thomas J. Carpenter	William B. Driver
Don L. Casselman	Harold P. Dye
Thomas W. Chambers	James D. Edgington
Edmund G. Chartler	Theodore E. Erich
Talmage W. Cobb	Thomas J. Fiden

Richard W. Hagauer	Robert F. O'Brien
William R. Hale	Joe J. Rhiney
David R. Harston	Harold P. Saabye
Edward Hilding	Elijah W. Shacklette,
Charles B. Knoche	Jr.
Walter B. Lull	Eugene A. Sorensen
Robert W. Marden	George A. Sylvester
Donald L. Nagle	Richard L. Watson

The following-named distinguished military students of the Reserve Officers' Training Corps for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

John F. Brady  
John C. Gall  
Irwin P. Graham



# House of Representatives

WEDNESDAY, JUNE 29, 1949

The House met at 11 o'clock a. m.

Dr. Alfred J. Thomas, pastor, First Evangelical United Brethren Church, Lock Haven, Pa., offered the following prayer:

Father of us all, we commend ourselves to Thee for Thy guidance and care. May Thy presence be manifest in leading our Congressmen in their honest deliberations this day. We are so prone to call the pleasant good and the unpleasant bad.

Teach us that the good is ever achieved at a cost. Grant us the courage to weigh sincerely the opinions of those who differ from us and to remember that we may advance by the winds that would oppose us.

Teach us to be reverent, teach us to be humble; both individually and as a nation we are what we are by Thy Grace.

Be merciful unto us and bless us and cause Thy face to shine upon us. In the blessed name of Jesus Christ our Lord, we pray. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in five instances and include in each extraneous matter.

Mr. WITHROW asked and was given permission to extend his remarks in the RECORD and include two resolutions.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Buffalo Courier-Express.

Mr. DAVIES of New York asked and was given permission to extend his remarks in the RECORD.

Mr. GORSKI of New York asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Washington Star.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CLEMENTE. Mr. Speaker, on yesterday I was given permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$187.50, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD on three subjects and include certain articles.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a table dealing with the veterans' readjustment allowance.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Tulsa Tribune of Saturday, June 25, entitled "A Slogan Tells the Story."

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus (Ohio) Dispatch.

## CALL OF THE HOUSE

Mr. SPENCE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Anderson, Calif.	Keans	Plumley
Bland	Kee	Roosevelt
Boykin	Kilday	Sabath
Bulwinkle	LeCompte	St. George
Byrne, N. Y.	McMillen, Ill.	Scott
Canfield	Macy	Hugh D., Jr.
Celler	Mason	Shafer
Chatham	Morrow	Short
Chipperfield	Morrison	Smith, Ohio
Clevenger	Murdock	Staggers
Cox	Murray, Wis.	Taber
Gilmer	Norton	Thomas, N. J.
Hays, Ark.	Peterson	Vorys
Hobbs	Pfeifer	White, Idaho
Jennings	Joseph L.	Woodhouse

The SPEAKER. On this roll call, 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## AMENDMENT OF CONTRACT SETTLEMENT ACT OF 1944

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 834) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, line 11, strike out "other." and insert "other."

Page 6, after line 11, insert:

"(9) Not more than 10 percent of the amount which may be paid by the United States in settlement of any claim filed under the provisions of this subsection shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with such claim, and the payment, delivery, or receipt of any greater amount shall be unlawful, any contract to the contrary notwithstanding; and any person who violates the provisions of this paragraph shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4009, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before rising on yesterday, the Committee agreed that title III of the bill should be considered as read and be open to amendment and subject to points of order.

The Clerk will report the committee amendments.

The Clerk read as follows:

Page 28, line 5, strike out "need" and insert in lieu thereof "needs."

Page 28, line 24, strike out "initiated after March 1, 1949,".

Page 29, line 6, after the word "project", insert "initiated after the date of enactment of the Housing Act of 1949."

Page 29, strike out all of line 16 and strike out through "servicemen)" on line 17, and insert in lieu thereof "families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen."

Page 29, lines 23 and 24, strike out "(including families of deceased veterans or servicemen)" where such appears therein.



Page 30, line 4, insert a comma immediately following "connected" and the following: "and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

Page 30, line 22, after "(5)" strike out the remainder of said line and strike out all of lines 23, 24, and 25, and strike out all of lines 1 through 6, inclusive, on page 31 and insert in lieu thereof "Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska)."

Page 31, line 21, strike out "The Authority shall make loans," strike out all of lines 22, 23 and strike out through the word "projects" on line 24 and insert in lieu thereof "Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it."

Page 32, line 6, following the comma strike out "every contract for", strike out all of line 7, and strike out through "March 1, 1949," on line 8, and insert in lieu thereof "every such contract."

Page 32, line 24, insert a comma following the word "shall" and the following "if the Authority so requires."

Page 35, line 5, immediately following the word "Act" and before the close parenthesis insert "and notwithstanding any other provisions of law."

Page 35, line 17, strike out "provisions of this act" and insert in lieu thereof "first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c)."

Page 41, lines 17 and 18, strike out "not to exceed in any fiscal year an additional amount of" where such appears therein and insert in lieu thereof "additional amounts aggregating not more than."

Page 42, line 17, strike out "not to exceed in any fiscal year an additional" and insert in lieu thereof "additional amounts aggregating not more than"; and on line 20 strike out "not to exceed in any fiscal year" and insert in lieu thereof "amounts aggregating not more than."

Page 43, line 4, strike out "development" and insert in lieu thereof "commencement of construction."

Page 43, line 24, before the comma following the word "exemption", insert "and the authorization of payments in lieu of taxes."

Page 44, line 10, strike out "contributions were payable" and insert in lieu thereof "contribution dates occurred"; and on lines 22 and 23 strike out "contributions are payable" where such appears therein and insert in lieu thereof "contribution dates occur."

Page 45, line 21, strike out "families" and insert in lieu thereof "families."

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 48, immediately following line 11, insert the following new section 208:

**"TRANSFER AND OPERATION OF LABOR CAMPS"**

"SEC. 208. (a) Section 2 (d) of the Farmers' Home Administration Act of 1946, as amended; section 43 (f) of the Bankhead-Jones Farm Tenant Act, as amended; and

Public Law 298, approved July 31, 1947, are repealed effective as of the date of the transfer of the property and funds authorized hereunder.

"(b) The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(1) By adding the following new subsection (f) to section 12:

"(f) There is hereby transferred to the Authority, effective not later than 60 days after the effective date of the Housing Act of 1949, all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to all labor supply centers, labor homes, labor camps, and facilities held in connection therewith and heretofore administered by the Secretary of Agriculture, for use by the Authority as low-rent housing projects in rural nonfarm areas for families and persons of low income. Such projects when so transferred shall (notwithstanding any other provision of law) be low-rent housing projects subject to the provisions of this act, except as otherwise provided in this subsection. Any or all of the accommodations in any of such projects, other than standard family dwellings as determined by the Administrator (where preference shall also be given migratory farm workers and their families), may be reserved for rental to migratory agricultural workers and their families and the rents of the accommodations so reserved shall not be higher than such workers can afford. The provisions of the second and third sentences of subsection 2 (1) of this act shall not be applicable to the occupants of accommodations other than standard family dwellings. The Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this act, including disposal of any such project to a public-housing agency for a consideration consisting of the payment by the public-housing agency to the Authority during a term of not less than 20 years of all income therefrom after deduction of the amounts necessary for (i) reasonable and proper costs of management, operation, maintenance, and improvement of such project, (ii) payments in lieu of taxes not in excess of 10 percent of shelter rents, (iii) establishment and maintenance of reasonable and proper reserves, and, (iv) the payment of currently maturing installments of principal and interest on any indebtedness incurred in connection with such project by the public-housing agency with the approval of the Authority. Pending sale or lease of said projects to public-housing agencies, the Authority may continue present leases and permits, or may enter into new leases with public bodies or nonprofit organizations for the operation of such projects. Pending sale of such projects, the Authority may make any necessary improvements thereto and may pay any deficits incurred in their improvement and administration out of any of the funds available to it under this act. Appropriations to reimburse the Authority for any amounts expended pursuant to this subsection, in excess of the funds transferred with such projects, are hereby authorized."

"(2) By inserting in subsection 12 (b) following the word 'Federal' the words 'low-rent housing';

"(3) By inserting in the first sentence of subsection 12 (c) following the word 'Federal' the words 'low-rent housing';

"(4) By deleting in subsection 12 (d) the word 'project' in the three places where it occurs and substituting the word 'projects'; and

"(5) By deleting from subsection 12 (e) the word 'any' where it first occurs and substituting therefor the word 'the', and by deleting the word 'project' in the two places where it occurs in subsection 12 (e) and substituting the word 'projects.'

"(c) All unexpended balances of funds available for the maintenance, operation, and liquidation of the properties transferred hereunder and for administrative expenses in connection therewith shall be transferred, upon the transfer of such properties, to the Public Housing Administration to be available, until expended, in accordance with the provisions of the United States Housing Act of 1937, as amended."

Mr. COLE of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call to the attention of the committee the fact that section 208 is a provision in H. R. 4009 which was not heretofore in the original low-cost housing bills presented to this House, as I understand it, nor is it in the bill which passed the Senate. Apparently there has been considerable controversy over whether or not this provision should be in the bill.

There were two or three witnesses appeared before our committee when they had the hearing, yet it is my judgment that not a full and complete hearing was had. I take this time merely to call this to the attention of the House.

There are other Members, I understand, who want to be heard upon this matter, and I therefore yield to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I would like to say that our Committee on Agriculture has been working on farm labor camps for the past 3 or 4 years. We thought we had it lined up in such a way that we would have no difficulties. The truth of the matter is that this House itself took such action not long ago by giving the Department of Agriculture one more year in which to dispose of these farm-labor camps. There is one of these labor camps in my district. It is going to be sold in the next year or so to a farmers' and processors' group to carry on this labor camp so that the farmers and laborers will benefit from its operation.

It seems to me it would be ridiculous at this time to include it in a housing bill when the farmers need these labor camps. You take it completely out of the hands of the farmers and turn it over to the Housing Administration here in Washington, and we are fearful that the farm-labor camps will become nothing more nor less than an institution to provide houses for folks who have no intention whatever of working on the farm. We need these labor camps. I hope everyone interested in the farmers, especially in communities where we have migrant labor, I say frankly that we should strike this section out of the bill.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. COLE] has expired.

Mr. GRANT of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment certainly has no place in this bill. The Committee on Agriculture for over 10 years has handled this legislation. It was not in the bill when it was introduced. It was not in the Senate bill. There were practically no hearings held by the Committee on Banking and Currency.

Furthermore, this House has expressed its will no less than three times in the past. Only about 30 days ago the Pres-



ident of the United States signed a bill taking care of this situation. Only 60 days ago that legislation was passed by this House. The only thing that I have been able to find in the way of a hearing before the Committee on Banking and Currency was that something should be done before June 30. It now has been done and is the law of the land. I feel that the chairman of the Committee on Banking and Currency should withdraw this amendment, because only a few weeks ago the House passed on it.

Mr. Chairman, I yield back the balance of my time.

Mr. McKINNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, section 208 was put into this bill not because the farmers need this housing but because the people who work for the farmers need this housing. I have discussed this matter with Members from both sides of the aisle and it is pretty much agreed that all of us want to preserve this housing for the migratory farm worker. We have 21 of these camps in California that house some 350,000 of our migratory farm population. Under the Bramblett Act these camps would be transferred to any organization that satisfactorily bids for them to the Department of Agriculture. We have no guaranty that these camps will be continued to used by the migratory workers, for after next year the Bramblett Act expires. If at that time there are no takers for these camps, then they may be sold to anyone who wants to buy them at 15 cents or less on the construction dollar and they will be lost for the purpose for which they were built. We feel that these camps should be continued for the migratory workers. Under this bill, they will be continued that way. Any community that has a migratory camp can form a local housing agency subject to recognition by the Board of Supervisors or by the city council. This local agency can lease and administer this migratory camp for the benefit of the migratory workers. Otherwise, under the Bramblett Act, when that act expires, may unrelated organization can come in and acquire this housing and use it for their own purposes.

Mr. BRAMBLETT. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. BRAMBLETT. If I understood the gentleman correctly he said they could be sold to anyone. The present extension of the law provides that it must be held for agricultural purposes and to a non-profit association of agricultural people; so the point the gentleman made would not come up until a year from the first of July when they would be opened up again if they are not sold.

Mr. McKINNON. That is correct up to this point: Our past experience shows that during the past year this bill has been in force we have had only nine offers to acquire 9 of the 21 camps, although I do not believe any offer has been sufficiently good to be accepted. Only 9 of the 21 camps have been bid for. Obviously, the farmers have the greatest amount of interest in obtaining migratory camps for employment purposes,

but I believe these camps should be continued and administered by some agency for the benefit of migratory workers rather than to throw their status into a state of future uncertainty as has been indicated by the past year's operation.

Mr. BRAMBLETT. The House and the Senate both passed the bill unanimously, and the President signed it, extending the time a year and a half. That certainly will give time to see if people are interested in housing migratory agricultural workers from the standpoint of the welfare of agriculture.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. WHITE of California. I wish to ask the gentleman if, as a matter of fact, this amendment that he has brought forward is not the result of the effort that has been undertaken under the year's extension of the Bramblett Act?

Mr. McKINNON. The point is well taken, I may say to the gentleman from California [Mr. WHITE].

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield.

Mr. HARDY. Are we to infer from the gentleman's remarks that he contemplates that the matter of providing housing for migratory workers should become a permanent part of the Public Housing Authority?

Mr. McKINNON. I might say that thus far there is pretty much of an agreement as far as need is concerned by the delegation from California, and the delegations from other States affected by the migratory-worker problem.

Mr. HARDY. But here we are considering a basic and elemental factor and I just wanted to get the gentleman's reaction.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield to me to answer the gentleman on that matter?

Mr. McKINNON. I yield.

Mr. WHITE of California. I would say if that were undertaken from scratch, "No" would be the answer, but these buildings are here and they are providing a part of the answer to the Grapes of Wrath problem. I do not think they should be sold to these special groups of big farmers for 5 cents on the dollar. They have been offered to them for 15 cents and they will not take them. Now they want them for 5 cents on the dollar.

Mr. McKINNON. Very true.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HILL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I had not intended to inject myself into this housing legislation, because we are not as interested as those in the heavy industrial areas, but may I say with all due deference to the gentleman from California he is 100 percent mistaken, that is all. He could be more, but I could not imagine it.

We are not trying to do anything except to preserve these camps for the farmers and the workers themselves. The Department of Agriculture up to this time has not put on enough steam to sell these projects and that should not

be offered in opposition to what we are trying to do here.

Let me show you how mistaken the gentleman is. We have a camp not over 50 miles from my home in my district and we have been trying to sell that camp for some time. We are now at the point of making a contract for the sale of the camp. The amount of money has been determined upon and the contract may be carried out. That entire farm labor camp will become the property of an association of farmers and of processor groups in that area. They will own and operate it. There are a great many reasons I could mention why these camps have not been sold. One, I am convinced in my own mind, is because the Department of Agriculture had held them at too high a price. Under this program you will just take them back again and make them a permanent proposition which the Federal Government will have to operate from Washington. That is the thing we do not want. These camps should be operated in California by Californians for the benefit of farmers and laborers in California. Certainly you do not want to do what is attempted in this section of this bill.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. WELCH of California. Is it not a fact that if the section is left as it is in the bill the operation of the labor camps will become an integral part of the low-cost housing program and will be operated under the supervision of the United States Government, whether they are in California or in any other part of the country, and will benefit the farmers? Under the care of the Federal Government it is bound to result in benefit to the farmers. The Government should be given the opportunity of putting the camps in repair and making them fit for human habitation.

Mr. HILL. We have done that.

Mr. WELCH of California. It has not been properly done.

Mr. HILL. The gentleman does not think the people of California or Colorado are not able to operate these camps in their local communities, does he?

Mr. Chairman, I think we should vote this section out of the bill.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida to the committee amendment: Page 49, line 6, after "projects", strike out "in rural nonfarm areas for families and persons of low income" and insert "in rural areas for agricultural workers and their families."

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. I made a motion to strike out this section. Now, we are still on my motion, are we not?

The CHAIRMAN. No.

Mr. HILL. Well, I was recognized for that purpose.



The CHAIRMAN. The gentleman from Colorado did not submit an amendment. He may later on, if he desires to.

Mr. HILL. A further parliamentary inquiry. Did not the gentleman from Alabama [Mr. GRANT] offer an amendment?

The CHAIRMAN. Does the gentleman from Florida yield to the gentleman from Colorado for a parliamentary inquiry?

Mr. ROGERS of Florida. Will it come out of my time?

The CHAIRMAN. Yes; it comes out of the gentleman's time.

Mr. COOLEY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. If I understand the situation, the gentleman from Florida is attempting to amend the bill now under consideration rather than offer an amendment to the amendment offered by the gentleman from Alabama [Mr. GRANT].

The CHAIRMAN. No. The gentleman from Florida is offering an amendment to the committee amendment. The gentleman from Alabama [Mr. GRANT], has no amendment pending.

Mr. ROGERS of Florida. Mr. Chairman, let me preface my remarks by saying that I do not think that section 208 should be in this bill. Section 208 is particularly an agricultural section and should stay in the Agricultural Department. Now, we have been operating under this law since 1937 or longer, and with reference to the establishment of these migratory camps, these labor camps, that is a matter that the Department of Agriculture should have jurisdiction over. Yet, we get it in this bill.

Further, let me say that this bill is more or less of an urban proposition, and we all recognize that. Why should the Committee on Banking and Currency take from the jurisdiction of the Agriculture Committee these agricultural workers and place them under the Public Housing Authority? It should not be done. I hope you will adopt my amendment. It does perfect it in a certain way in that it gives preference to agricultural workers and their families in these migratory camps, that is all my amendment does, and I do not believe the Committee on Banking and Currency will have any objection to it.

On page 49, line 6, in the committee amendment, this language is used, "in rural nonfarm areas for families and persons of low income." My amendment would strike out that language and insert this language, "in rural areas for agricultural workers and their families." In other words, it only means that in these camps that have been established for agricultural workers, that the laborers, the agricultural workers, the farm workers, shall have the right to be housed in those labor camps rather than give them to the low-income groups and others that might come in, and we do not know what the Housing Authority might do.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from California.

Mr. McDONOUGH. Will the gentleman refer to page 49 and read on line 20? After the period it says, "the Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this act, including disposal of any such project to a public housing agency for a consideration." Does not that nullify the intention you have in your original amendment? The gentleman says that it should be for farm workers, but further down in the same section it gives authority to the Housing Authority to dispose of them.

You do not want that to happen.

Mr. ROGERS of Florida. No; we do not want that to happen.

Mr. McDONOUGH. Then should you not amend that section as well?

Mr. ROGERS of Florida. Just so the farm workers are taken care of, that is all I am interested in. They go all over this country. Without proper housing of these migratory laborers, we will not have them.

Mr. McDONOUGH. The point I am making is that if the gentleman's amendment is adopted the purpose of the gentleman's amendment is nullified by the fact that the language beginning in line 20 after the period and the remainder of that paragraph nullifies the intention of his amendment.

Mr. ROGERS of Florida. Only if they decide to dispose of it, but if they decide to hold it, it would not. They would be obliged to take care of these agricultural migratory laborers who go all over this country.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Kentucky.

Mr. SPENCE. I cannot speak for the committee, but as far as I am personally concerned, I can see no objection to the gentleman's amendment.

Mr. ROGERS of Florida. I appreciate that statement from the chairman of the committee.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Pennsylvania.

Mr. RICH. I think the gentleman has a good amendment. It ought to be adopted.

Mr. ROGERS of Florida. I thank the gentleman.

Mr. Chairman, inasmuch as a bill has already been passed extending the disposition of these camps for a period of 1 year, and the bill has already been signed, and these are retained by the Department of Agriculture for 1 year, there is no need to link these up with this bill. I hope my amendment will be adopted, but even after that I hope you will take out this section 208 because it has no business in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the committee amendment, and ask unanimous consent to proceed for five additional minutes.

Mr. SPENCE. Reserving the right to object, Mr. Chairman, I shall not object to this request, but we want to proceed to a conclusion in the consideration of this bill and in the future I shall object to any requests for an extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KUNKEL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KUNKEL. What is the status of the committee amendment at this time?

The CHAIRMAN. The committee amendment is pending.

Mr. COOLEY. Mr. Chairman, while I do not want to appear picayunish about the jurisdiction of the House Committee on Agriculture, I do feel that the adoption of the amendment under consideration would in effect circumvent our committee and in a degree impair the prestige of the committee and in a manner reflect upon it. No longer ago than May 2 the House passed a bill which was reported by our committee, dealing with this subject. That bill passed the Senate on May 23 and on May 31 was signed by the President. Our committee carefully and diligently considered the problems now presented by the pending amendment and the Congress and the President accepted and approved the action of the Committee on Agriculture. Certainly this is not a matter which could properly be considered and determined by the Committee on Banking and Currency. We are now about to place ourselves and the Congress and the President in the ridiculous position of repudiating the action taken; yes, repudiating it in toto, and we are asked to embark upon a program which is in direct opposition to the rather frequently expressed views of Congress concerning these migratory labor camps. If this amendment is adopted everything which has been done heretofore in connection with these camps will be repudiated and we will again embrace a program which brought the Farm Security Administration into disrepute.

The migratory labor problem is not a national problem, it is definitely localized. It may be a national disgrace but fortunately it is not a problem which is of very great concern to many of the States of the Union. Certainly something should be done to discourage, rather than to encourage, people to tramp from place to place, and drag their children and their household belongings in jalopies from field to field, from county to county, and from State to State.

I appreciate the fact that the situation was once more horrible, but it has never been more deplorable than it is today. I realize that thousands of children were once forced to sleep and to live



on ditch banks and out in the open along irrigation canals, and to be woefully neglected while their parents were working in the fields, engaged in harvesting crops. I realize that the situation has been improved and that these camps have provided a great degree of comfort, but I can see no earthly reason why the States involved should not be charged with the responsibility of operating and maintaining the camps which have been built with Federal funds. If the people of Texas, Arizona, and California, and perhaps two or three other states, in which this deplorable situation exists, are not interested enough in the problems involved to take over these camps and maintain and operate them, what right do they have to call upon the Federal Government to do so? Are we willing to accept migratory labor as an American institution? Are we willing to permanently charge the Federal Government with the responsibility of maintaining and supporting and operating this sort of an institution? I repeat, we should discourage, rather than encourage, the growth of the migratory-labor movement.

In 1944 this House, by appropriate resolution, authorized the chairman of the House Committee on Agriculture to appoint a special committee to investigate the Farm Security Administration, and all its activities. I introduced this resolution, and I was appointed chairman of that special committee. The special committee visited these camps in all parts of the country. We observed how they were being operated and we saw what was happening. The special committee filed a unanimous report and recommended among other things that these camps be liquidated as expeditiously as possible. This House accepted and approved that report insofar as labor camps were concerned, and approved legislation directing that they be liquidated and disposed of. In view of the fact that we were then making every effort to increase production and to fill the breadbasket of democracy, and in view of the fact that the war was still raging, our committee and the Congress decided to extend the time within which the camps should be liquidated, and disposed of. From year to year this extension has been granted. The last extension was in the month of May in this year of our Lord, 1949.

Are we going on record here now to restore the Rex Guy Tugwell-Beanie Baldwin FSA, or are we going to stand up here and have some respect and some regard for the members of the Committee on Agriculture who want to deal with this problem fairly and equitably?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman, briefly.

Mr. SPENCE. I am sure the Committee on Banking and Currency has no disposition to invade the jurisdiction of the Committee on Agriculture. Sometimes in the multiplicity of questions which come before us we cross over the line. We have done that, perhaps, here. But there was no purpose to humiliate the committee or to take away any of the

authority of the great Committee on Agriculture. I want the gentleman to know that. Sometimes other committees invade the jurisdiction of our committee, but we do not hold that against them.

Mr. COOLEY. I certainly attribute no bad motive to the chairman of the Committee on Banking and Currency or to any other member of his committee.

Mr. SPENCE. I realize that.

Mr. COOLEY. But this is just a zealous effort on the part of some Members of the House who want to perpetuate this institution known as the migratory labor camp. If you could take the time to read the report, which we filed in 1944, I am sure you would not want to be a party to any such proposition as is being presented to you now. Are we going on record to authorize the extension which will involve an unlimited amount of money to build these camps and to let these people go from one part of the country to another in the prosecution of agricultural pursuits, or are we going to get the Government out of this business?

We have in mind a method of remedying the situation and letting the Federal Government out. That is, to let the States take them over. I am ready to stand up today and vote to give every one of them away rather than to vote to perpetuate the participation of the Federal Government.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ROGERS of Florida. You have already provided that this proposition of the labor camp has been taken care of for one additional year.

Mr. COOLEY. That is right.

Mr. ROGERS of Florida. Under this bill it would put them under the Housing Act within 60 days' time, is that not true?

Mr. COOLEY. That is right—for Lord knows how long—and for how much money, we would never know. I have a great pride in the Farmers Home Administration. That organization came into being when we liquidated three other agencies making direct loans to farmers. I do not want to see that organization wrecked. I do not want to see it saddled permanently with the operation of these camps, because I know it will bring it into disrepute quicker than anything else we could do for it. The agency is now serving the needs of low-income farmers and tenant farmers of this Nation, and I want to see it continue as a going concern.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. STEFAN. Is there an amendment to strike out section 208?

Mr. COOLEY. Section 208 is a committee amendment itself. I am speaking in opposition to the amendment. I hope the amendment will be defeated and that the Congress will be able to liquidate these camps and get out of the business.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HILL. I would like to ask the gentleman this question. Is it not a fact

that if we defeat the amendment that is now pending, the Department of Agriculture will dispose of these camps to the local communities, and they can handle them themselves and accomplish the very thing that all of us desire to accomplish by this legislation?

Mr. COOLEY. Exactly. That is what we want to do. Let the States and the local communities operate them.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOEVEN. Is it not a fact that the Government agencies themselves recommend the liquidation of these camps? The only reason they have not been liquidated up to this time is that they said it took time to do this, and for that reason the Committee on Agriculture has simply extended this for a year. We have been most insistent in liquidating them at the earliest opportunity. I do not think there is anyone who will contend that these camps should be continued, except some of the people interested in two or three States.

Mr. COOLEY. That is right. I have had people from California call me within the last week asking that this amendment be defeated and that the liquidation of these camps proceed.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The gentleman from Iowa [Mr. HOEVEN] and the gentleman from North Carolina [Mr. COOLEY] mentioned that there were two or three States interested, and the gentleman named the State of Texas. May I suggest that it is my belief that the people of the State of Texas would like to have this matter turned back to the local authorities, and not turn these labor camps over to some kind of rural slum proposition. We want to continue them locally as a local proposition.

Mr. COOLEY. I thank the gentleman.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. I understand the Committee on Banking and Currency held no hearings on this matter and has never given any consideration to this particular problem. Does the gentleman know anything about that?

Mr. COOLEY. No; except that I have been told the hearings were very short. They did not go into the matter. Certainly the new members on the committee did not take the time to read the report of the special committee which made the investigation.

Mr. HOPE. Now this is a matter on which the Committee on Agriculture has conducted exhaustive investigations and prolonged hearings for many years, in an effort to work out a sound solution of a most difficult problem.

Mr. COOLEY. The gentleman is entirely correct. In making that investigation our committee visited these camps and communities and discussed the situation with local people. I can tell you now that our former beloved colleague, Mr. Zimmerman, of Missouri, asked one



of the managers of one of these camps this question. He said:

"I want to ask you, Is this camp needed now here, or has it ever been needed?"

And the answer was, "It is not needed now, and it has never been needed."

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on time to conclude the debate on this amendment and all amendments thereto.

I ask unanimous consent that debate on this amendment and all amendments thereto conclude within 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE].

Mr. NICHOLSON. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair noted the following Members seeking recognition at the time the limitation agreement was entered into: Messrs. PHILLIPS of California, WERBEL, SCUDDER, BRAMBLETT, HOLIFIELD, CASE of South Dakota, GATHINGS, KEEFE, JOHNSON, POAGE, MURRAY of Wisconsin, ABBITT, MULTER, and Mrs. DOUGLAS.

Mr. HILL. Mr. Chairman, I was seeking recognition.

The CHAIRMAN. The gentleman's name will be added to the list.

The Chair would like to inquire if the Members seeking recognition on this amendment which of them have amendments to offer to the committee amendment?

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

Mr. SCUDDER. Mr. Chairman, I have an amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS] to offer his amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California to the committee amendment: Page 51, line 15, after the word "amended", strike out the period, insert a comma, and the following: "Provided, That when existing projects are owned or operated by nonprofit associations of farmers this ownership or operation shall not be disturbed by the terms of this section."

The CHAIRMAN. The gentleman from California is recognized.

Mr. PHILLIPS of California. Mr. Chairman, how much time have I?

The CHAIRMAN. About a minute and a quarter.

Mr. PHILLIPS of California. Mr. Chairman, it is obvious that this matter was not considered in detail by the Committee on Banking and Currency.

It affects housing which has been built and maintained in the rural areas and is now used for the housing of farm labor. It takes that farm housing and makes it general housing. It requires the creation of a new housing authority. It would perpetuate a situation the Congress is trying to correct.

My amendment would require that where, in California, Texas, Colorado, or Arizona, or elsewhere, nonprofit organizations of farmers who are already operating these housing projects and maintaining them, that they should not be disturbed.

I am opposed to the entire amendment; I hope it will be taken out of the bill by a no vote, because I believe it is perfectly obvious from the discussion already had on the floor in which the chairman of the Committee on Agriculture this year, and the chairman of the same committee last year, have both taken part, that it is not a subject to be brought before the House today in connection with a housing bill without a great deal of discussion. I am sure the House does not want to agree to it. The section should not be in this bill. I was of the opinion that a point of order would lie against it, but I understand the point of order was overruled.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 76, noes 61.

Mrs. DOUGLAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BUCHANAN and Mr. PHILLIPS of California.

The Committee again divided; and the tellers reported that there were—ayes 155, noes 115.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentlewoman from California [Mrs. DOUGLAS].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MULTER. Mr. Chairman, I ask unanimous consent that my time be yielded to the gentlewoman from California [Mrs. DOUGLAS].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. DOUGLAS. Mr. Chairman, I beg the close attention of the Members of the House. There are between two and one-half and three million migrant farm workers in this country. In California alone there are approximately 350,000 migrants. Migrant farm labor is not protected by social legislation that protects other workers. They are not covered by the social-security law; they are not covered by unemployment compensation; they are not covered by the wage-hour law. The children of migratory workers, for the most part, are not able to go to school. They do not have roots in any community. When they are sick, they cannot go to the county hospital.

They do not qualify. Illness is a constant danger. The United States Public Health Service has found that migratory workers and their families suffer from disabling illnesses at a far higher rate than the rest of the population. Is it any wonder?

And yet we need these men and women to harvest the crops.

The amendment we are discussing affects the lives of these migrant workers. The amendment transfers migratory labor camps from the Department of Agriculture to the Public Housing Administration for use as low-rent housing projects for the migratory farm workers who make up a part of the rural nonfarm population. The amendment if enacted into law will repeal Public Law 298 and provisions of the Farmers Home Administration Act which require the Department of Agriculture to liquidate the Federal Government's migratory labor camp program. If this amendment is not passed, the Department of Agriculture will be compelled to sell any migratory labor camps remaining in its hands on June 30, 1949, at public auction to the highest bidder, with no assurance that they will be used to house migratory farm workers in the future.

The bill before us is a housing bill—a housing bill that seeks to clear out the slums of America and provide decent homes for those who are in the greatest need. The men, women and children I am talking about live on the ditch banks, in squatters' camps. Water is a luxury to them. They are not living in slums; they have no homes.

These families deserve above all others the consideration of this Congress.

The crops of this country—the food we eat—the clothes we wear—are drenched with the blood and tears of the men, women and children who harvest our crops. They can bring no pressure to bear on this Congress. They have no votes. They have no one to speak for them.

Bill after bill is passed in Congress to aid the farmers and rightfully so. Are we to do nothing for migratory farm workers? Is this justice?

These camps were first established in 1935. Reports of the Industrial Relations Department of the State of California showed that "conditions similar to those of 1935 exist today in Kern County, where a tremendous influx of migratory labor is arriving to work in the potato fields. Many of the growers make no provision whatever for housing their crews who, therefore, are camping in back yards, on roadsides, and on ditch banks with meagre type of sanitary conveniences."

Disease is again breaking out in the valley—dysentery and diphtheria. Hundreds of migrant families are again being moved from one county to another by health officers. Is the Congress to ignore all this?

This amendment has the support of the administration. It has the support of the Department of Agriculture and the Department of Labor. In California the entire Democratic Party, the Grange, the Veterans of Foreign Wars, organ-



ized labor, Protestant church groups such as the Homes Missions Council, the National Catholic Rural Life Conference, all support a migrant farm-camp program.

The only people opposing the farm-camp program are a few Associated Farmers. If we followed their philosophy we would not long have a strong, dynamic democracy in this country.

This amendment does not provide for the building of new camps. This amendment, if adopted, will save 43 camps that still remain under the Department of Agriculture as homes for migrant workers.

The argument of those who oppose the committee amendment is that they want the camps operated locally. That is exactly what this amendment provides. But that is not what the opponents of this amendment really want. They want to take these people who literally live on the ditch banks, and press them down lower and lower. They are not people to them. They are a commodity to be exploited.

We appropriate billions to stop communism all over the face of the earth and yet there are those who counsel us to turn our backs on conditions that breed unrest and strife here at home.

Wake up!

Mr. HOLIFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. DOUGLAS. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that if this amendment is not adopted the big factory farms in California can buy on the block at very small cost these camps, and then only allow those workers to live in them that they will work on their farms at whatever prices they wish to pay?

Mrs. DOUGLAS. Of course. And that is exactly why some would like to see this amendment defeated.

Today in California the same conditions are developing as we had in 1935. Again, labor contractors are urging migrant farm labor to come to certain areas. They come into a county but find there is no place to be housed, and that there is no work. Labor is cheap when there is a surplus of labor. I repeat, this amendment does not build new camps, it saves the 43 camps that still remain, not only in California, but in 7 other States. It puts them under the local housing authorities. It gives to the migrants the same protection we give to other low-income groups in this country. I appeal to the good common sense of the Members of this House to support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WERDEL].

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that my time be transferred to the gentleman from California [Mr. WERDEL].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WERDEL. Mr. Chairman, I happen to represent the southern part of the San Joaquin Valley, including Kern

County. I speak now not for the Associated Farmers but for the farmers of that county who want to run their own business and do not want it run backhand from some other parts of the country, of either the Nation or the State.

Several of these camps involved here are in my district. None of them is in the district of the gentleman who presented the committee amendment. So I want you to understand that I speak from realities and experience.

First, let us admit that these camps did good during the war. They took care of the transient workers that needed care. But when they did that good they went into rural communities and centralized numbers of people in school districts, and created problems that the tax base would not stand. During the war you passed bills such as the Lanham Act and others that took care of those temporary war costs, but now, these people are living in one area, one school district, and working 20 miles away in another school district, under employment that has a different tax base than that which educates their children.

So you see it has created a local problem. If we are to handle the matter intelligently we should get these improvements back on the tax rolls. That was the plan, as I understand, the intention of the Eightieth Congress.

When the war was over, it is true that these projects could have been sold under the hammer under Public Law 731, but the Bramblett Act was passed to permit the Department to enter into commitments with nonprofit local agencies to operate these camps or to sell them. I have the minutes here of 30 men—not associated farmers, who met last January expressing among themselves as members of these boards that they had made their offers to the Department, but they had not been considered. They want to buy them. They want to operate them. They know it is a local problem and know it must be handled as such. Now the Bramblett Act has been extended 1 year; so it is untrue to say that on the 30th of this month these structures will be sold under the hammer.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, we all recall the grand old Duke of York who had 10,000 men and marched them up a very steep hill and then marched them down again. The Congress appointed a special committee, headed by my distinguished friend and chairman, the gentleman from North Carolina, Hon. HAROLD D. COOLEY, who investigated this very matter. I was not a member of that committee, but I think that committee did as fine a piece of work as has ever been done by any investigating committee of the Congress. They brought in a report and recommended that the Federal Government get out of the operation of these camps. For four long years we have repeatedly extended the time for terminating the Federal operation. We have not done the thing that the gentlewoman from California suggested was going to be done or the thing which she fears we intend

to do, to turn these camps over to the Associated Farmers of California, or any other private interest simply to make money out of them. We have specifically required that before anyone could purchase these camps and could get control of them, they must enter into a commitment that that camp would continue to be operated so as to provide housing for farm labor.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent that the time allotted to me be given to the gentleman from Texas.

Mr. BRAMBLETT. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Texas.

Mr. HILL. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Texas.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. POAGE. Mr. Chairman, I appreciate the additional time. I believe this is a matter which is so clear that most of the members of the committee will understand it and understand it quickly. The problem is: Are we going to perpetuate a program which was established as a social reform and maintained as a war institution?

Mrs. DOUGLAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I gladly yield for a question.

Mrs. DOUGLAS. The camps were built under the authority of the Emergency Relief Administration of 1935. Smallpox had broken out in the Imperial Valley in 1937, it spread up to the great San Joaquin Valley. The Government had to step in. Conditions were critical. In the years 1937 to 1940 the Government built houses for the migratory workers—the men, women, and children who harvest our crops.

Mr. POAGE. The gentlewoman is making a speech. I thought she wanted to ask me a question.

Mr. Chairman, the camps were established as a part of the old Farm Security Administration under one Beanie Baldwin and Dr. Will Alexander. Now, if you want to know who established these camps, those are the gentlemen who established them. They established them in the promotion of a social philosophy and not for the promotion of hygiene, or the suppression of smallpox. California was the only State that suffered from that disease but the camps were built on a national basis. These camps were established for the purpose of creating a type of governmental philosophy that was held by the gentlemen who at that time headed that organization. The people of the United States, through their representatives, and I think through their direct statements, made it rather plain that they did not intend to support that type of philosophy. Surely they did this in the recent election, in which the candidate of one of the founders of these camps received less than 2 percent of the vote of the people of the United States. These camps were founded to promote that philosophy. The people repudiated that philosophy. The Congress repudiated it after due and



thorough investigation. The Congress said, "We want to spend our money only to maintain farm labor camps as long as they are needed to promote the war effort." But the war is over. The additional production of farm products is no longer needed. On the contrary, we are faced with the question of what we are going to do with the ever-increasing production of our farms.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Not at this time.

It does not make sense. The things we needed during the war to increase production are not the things we need today when we are faced with agricultural surpluses. The things advocated by those who want to impose upon us the social philosophy of Mr. Baldwin, are not the things that free people need to maintain democracy. What we need is to place these camps in the hands of the local communities, make them responsible, and operate them for the housing of agricultural labor, and not for the housing of people from the towns who do not intend to do any farm work. Under the committee amendment we would but revive the old farm security communities of Mr. Baldwin. We would but move city slums to the rural areas. Let us avoid such an unfortunate development. Let us defeat the proposed committee amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, it is evident that this matter has received consideration by the Committee on Agriculture. It is also evident that it has not received the consideration of the Committee on Banking and Currency in the same degree. By the statements of Members on both sides of the aisle, it seems to me it should be left to the Committee on Agriculture.

I hope the amendment will be voted down. If I have any time remaining, Mr. Chairman, I yield it to the gentleman from California [Mr. SCUDDER].

The CHAIRMAN. The gentleman has one-half minute remaining.

The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I will necessarily be brief. But I would like to point out this fact: That we have a law that provides for the orderly disposition of these farm labor camps. Only recently the Congress has extended that law 1 year, which means that the Secretary of Agriculture has 1 year in which to dispose of these camps to public, semi-public, and farm organizations, that those camps may be run for the purpose for which they were created, farm labor. I hope that will be understood. It is not a question of trying to do away with these camps, cutting them out and allowing those people to be washed down the gutter, as might be indicated. But this matter has been thoroughly studied. I trust the law that was passed in 1947 will be allowed to take its usual course and hope that it will be the pleasure of this Committee to vote down this committee amendment which gives these camps to the Federal Public Housing Authority

with permission to operate them as public houses with the bill to be paid by the taxpayer.

I am opposed to this entire bill, believing it unnecessary, not needed, and too costly.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, we have had a lot of heat on this problem, but I do not know why we need to get all "het" up about it. All we want to do is give the small farmers, and not the large farmers, a chance to buy these camps and run them themselves so their migrant laborers may have proper housing. I am talking about the little farmers that raise cherries, peaches, prunes, plums, grapes, and all of those perishable crops. They can handle the problem much better than some of these professional people who run these urban housing projects, and by farmer operation give much better results to the laborers and farmers.

The curious thing is that the Associated Farmers are the ones who in many instances have adequate housing facilities. I am anxious to get decent places to live in for these people from other parts of the country, who come to California to pick our perishable crops. The man who analyzes the statistics on that problem told me that thousands of Okies and Arkies who formerly were migrants are now landowners in California. So, conditions are not quite as tough as some people would make you believe, although I want them improved and think the Bramblett bill will result in better housing facilities as well as administration.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I yield back my time.

The CHAIRMAN. The gentleman from California [Mr. SCUDDER] is recognized.

Mr. SCUDDER. Mr. Chairman, it is an anticlimax to follow the gentleman from Texas [Mr. POAGE] who has made a fine explanation of this entire proposition, but I do know something about these units; two of them are in my district. Let me state, for the benefit of the membership, that when the farmers in California took them over these housing units were very badly run down. The farmers have rehabilitated them at their own expense and out of them have made decent places for people to live. They have run them profitably and fairly.

I trust that this type of amendment will be left out of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, the real issue is whether this housing shall be preserved and continued in its present use. If you will take the trouble to read the bill you will find it disposes of these various housing projects to local agencies to use for migratory workers. The real

trouble, as you know and I know, is that the little farmer is not going to be able to step in and buy these camps; it is going to be the big operators who buy them; and what we are striving to do with section 208 is to be sure that the administration of these camps goes to local agencies and does not fall into the hands of an employer to be used as a condition of employment.

I have here a letter from the Secretary of Agriculture, Charles Brannan, in which he endorses this transfer and thinks the amendment is a sound one and should be carried. I shall place the letter in the RECORD.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close the debate.

Mr. SPENCE. Mr. Chairman, I yield back my time.

(Mr. JOHNSON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 35, noes 133.

Mrs. DOUGLAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 99, noes 158.

So the committee amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 48, line 1, strike out the words "by inserting after" and strike out all of lines 2 and 3, and insert the following: "to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development, and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract."

Mr. SPENCE. Mr. Chairman, this amendment is merely supplementary to the amendment that was adopted yesterday providing that the Department of Labor should fix the wages of laborers and mechanics in slum-clearance projects, and this now applies the same rule to the low-rent public housing projects. I am sure there is no objection to it, inasmuch as a similar amendment was adopted yesterday.



Mr. IRVING. Mr. Chairman, I again rise in support of the amendment offered by the distinguished chairman of the Banking and Currency Committee. In effect it is the same as the amendment which I supported yesterday and was then adopted by this body. It deals with establishing of the prevailing wages in each community for laborers, mechanics, and other types of workers on construction projects under this housing bill. The establishment of these wages will be accomplished by the Bacon-Davis Division of the Department of Labor under the terms of the Bacon-Davis Act. In making reference to the previous adoption of a similar amendment, I specifically refer to section 109, page 18, line 21, and page 19, lines 1, 2, and 3. Now of course, it follows that to make this legislation consistent it is necessary and advisable to adopt the amendment now being offered as properly related to page 48 of H. R. 4009. The adoption of these two amendments means a great deal to the construction industry as well as the workers employed in it. It will tend to eliminate confusion and the manner in which the rates are established will be fair and reasonable. It will mean good and just wages for those employed, thereby benefiting each community through the maintaining of decent living standards as well as the continuance of adequate purchasing power of the workers. It must be realized that this is absolutely necessary to our national economy at this time. I am sure that everyone will agree that it will also be helpful because it will supply better and more efficient workers for the housing construction, reducing the costs with much over-all saving in the long run. It will make available more experienced and better qualified workers who can produce a more satisfactory quality of workmanship. This, in turn, will give longer life and more permanence to any structures or buildings with less maintenance costs and repair work thereafter. I hope that this second amendment will be adopted or agreed to. I feel that such sensible action and realistic approach by the Members of this House must be favorably looked upon and appreciated by all.

Mr. SPENCE. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

Page 41, line 12, strike out "\$80,000,000" and insert in lieu thereof "\$55,000,000"; line 13, strike out "\$75,000,000" and insert in lieu thereof "\$58,000,000"; line 15, strike out "\$400,000,000" and insert in lieu thereof "\$308,000,000"; line 19, strike out "\$80,000,000" and insert in lieu thereof "\$55,000,000."

Page 42, lines 9 and 11, strike out "one hundred and fifty thousand" where such appears in each place therein and insert in lieu thereof "one hundred and thirty-five thousand"; line 13, strike out "1955" and insert in lieu thereof "1954"; lines 14 and 15, strike out "one million and fifty thousand" and insert in lieu thereof "eight hundred and ten thousand"; line 18, strike out "one hundred

thousand" and insert in lieu thereof "sixty-five thousand"; line 21, strike out "one hundred thousand" and insert in lieu thereof "eighty-five thousand."

Page 43, lines 4 and 5, strike out "one million and fifty thousand" where such appears therein and insert in lieu thereof "eight hundred and ten thousand."

Page 48, line 6, strike out "\$428,000,000" and insert in lieu thereof "\$336,000,000."

Mr. SPENCE. Mr. Chairman, before the pressure became strong, and acting under their free and uninfluenced will, the Senate passed the housing bill by a vote of 57 to 13. That housing bill is before this House. I have made the provisions of this bill conform to the Senate bill.

This amendment reduces the units from 1,050,000 to 810,000. It reduces the authorized yearly subsidies and contributions from \$400,000,000 as a maximum to \$308,000,000 and makes it a 6-year program instead of 7. This makes the bill conform exactly to the Senate bill. If this amendment is adopted, there will be little to consider in conference.

There has been complaint about the authorized amount to be expended to carry out the slum clearance and the subsidized low-rent housing. If the program does not have merit, we ought to contribute nothing. If the program has merit, and the people seem to think it has and the overwhelming vote of the Senate indicated that the Senate thought it has, then I think those who claim that the expenditures under the introduced bill are greater than we can bear should heartily approve of this amendment.

This amendment will carry out the program and do it with somewhat less expenditure than originally provided, and in addition will conform to a bill that has already been passed.

The amendment also reduces the acceleration provision of the bill introduced in the House, which is 100,000 units, to 65,000 units per year.

These provisions will be ample to justify or fail to justify the theory upon which we are now embarking. I do not think this is a socialistic program. I know of nothing that did more for the American people than the Home Owners' Loan Corporation. It gave certain citizens advantages, because of the predicament in which they found themselves, over the other citizens of America, yet everybody had to pay their proportion for that. As you look through the length and breadth of this land you see hundreds of thousands of people who have homes today because of the help that was given them during the depression, when the Government really took over their mortgages and extended their time and gave them an opportunity to earn enough to purchase their homes.

This is somewhat the same character of problem. It is true the people will not be home owners, but they will be renters. They will have the same rights within the house they will rent as if they owned it. It will put a roof over their heads, it will give them a home for themselves and their families, it will give them an added dignity, and it will give them an added assurance and added hope.

I do not think there will be any doubt of the ultimate vote on this bill.

You who do not like it certainly can vote for some reduction. Further reduction, I think, would mean sabotaging the program. But this amendment is introduced in order to conform to a bill which has been overwhelmingly passed by the other body and a bill which we know, if the amendment is adopted, we can go to conference on, and bring back a conference report which will meet with the approval of the House.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment to the amendment offered by the distinguished gentleman from Kentucky [Mr. SPENCE].

The Clerk read as follows:

Amendment to the amendment offered by Mr. SPENCE, offered by Mr. COLE of Kansas: On page 41, line 10 after the word "than" strike out "\$85,000,000" and insert "\$34,000,000"; and in line 12, strike out "\$80,000,000" and insert "\$32,000,000"; and in line 13, strike out "\$75,000,000" and insert "\$30,000,000"; and in line 15, strike out "\$400,000,000" and insert "\$160,000,000"; and in line 19, strike out "\$80,000,000" and insert "\$32,000,000."

Mr. COLE of Kansas. Mr. Chairman, I read from the text of a letter from the President on housing addressed to our Speaker, which letter is dated June 17, in which the President said:

I have been shocked in recent days at the extraordinary propaganda campaign that has been unleashed against this bill by the real-estate lobby. I do not recall ever having witnessed a more deliberate campaign of misrepresentation and distortion against legislation of such crucial importance to the public welfare.

He further said:

The real-estate lobby claims that H. R. 4009 will cost the Federal Government \$20,000,000,000.

Then he continues:

This is an exaggeration of approximately 100 percent. The actual cost of the bill will be about \$10,000,000,000 spread over a period of 30 years.

Mr. Chairman, the amendment I have offered is in line with the President's suggestion concerning the cost. The amendment offered by the gentleman from Kentucky is the figure proportionately based upon the reduction of units which was in the original bill H. R. 4009. But I have taken the President's suggestion. He said the original authorization was 100 percent too much. So I say let us authorize only the amount of money that we need. Of course, it is human to make mistakes and if the President and the administration have asked for double the amount of money that they need, now let us authorize only the exact amount of money needed.

My amendment provides for exactly the amount of money they need, according to the President.

In that connection, Mr. Chairman, I want to call your attention to where we are going. If he authorize the building of 100 public housing projects, the picture is exactly the same as if we authorize 810,000, because in this country today there are 3,700,000 families with an income of \$1,000 or less a year. That is one-tenth of the population of the United



States. The lowest 20 percent of the families in the United States number 7,455,800. Their income is approximately \$1,600 a year or less.

So, Mr. Chairman, we are beginning a program here today for a few people in the lower-income bracket. If we do that, Mr. Chairman, we will eventually be faced with the possibility, not only the possibility, but the definite probability, that low-rent subsidized housing will be demanded for the lower 20 percent of the families which will be 7,455,000, at a cost of over \$111,000,000,000.

If the President believes in what he says here, and I know that he does, and if the administration is honest in what they are asking for here today, and I assume they are, then there is no reason whatsoever why this amendment of mine should not be adopted. If it is not adopted the administration and the committee are saying to the people, "We are asking for double the amount of the authorization which the President of the United States says is not necessary."

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. MULTER. If we adopt your amendment will you vote for this bill?

Mr. COLE of Kansas. No.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. JOHNSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOHNSON. Mr. Chairman, the underlying fallacy of this act is that if people have houses, better than their income would justify, they would be happier. Running through all the argument for the bill is the idea that giving more physical comforts will make for more happiness, will reduce delinquency, and will bring more satisfaction.

I challenge this reasoning. Experience teaches us that merely having more money or more comforts does not necessarily make for more contentment or more happiness. Of course, I admit that when people live in totally inadequate quarters and in abject squalor, which is no fault of theirs, giving them better living conditions will make them happier. But the fallacy that we make so often—and it has been made here many times in this debate—is to judge the effect on the people whose standards are different than ours. Because, to us, some of the conditions under which people live would mean misery, it by no means indicates that the people are really miserable. I can best illustrate this by my own personal experience, which I am sure can be duplicated by many others who are Members of the House. We never had a bathroom, in the modern sense, till after I got through high school. As small boys we were bathed in a wooden stave tub, two of us with the same water and the other two with a change of water. Our mother kept us clean and we were happy. Yet, many people now would think that was deplorable, that we were living in terrible slum conditions. The same is true of the sanitary facilities—all of which were outdoors. But we were happy; we had a chance to go to school; we had a chance to work to make money

to clothe us and also attend school; we then later worked in box factories, sash and door factories, and sawmills, making enough money to go through high school and later to college. Why were we happy? Because we had opportunity to go ahead. We did not need to depend upon anyone else. We never dreamt of others or the public taking care of our needs. We found a way to meet them. If necessary we lived on less and we always looked to ourselves to make things better. We would feel ashamed to take help, except in extreme cases, which never occurred.

As I look back on these days, we and our neighbors, I can truthfully say, were happy and cheerful. We did not envy anyone, nor did we hate people who had more than we had. Our mother and father taught us that.

Look back over life and I think every one of us will realize that the things that gave us happiness and pleasure were not merely having more physical comforts and money. It was that we had an even chance to forge ahead, to do the things we wanted to do and to handle them ourselves. At times we had help in the way of loans for our college education. But it was all paid back with interest and only amounted to slight amounts.

Many commentators, and some by their arguments on this bill, have given the impression that if we can simply make a bigger and better house for someone, even if the public has to pay part of the bill as a subsidy, presto, more happiness will follow. It simply does not work that way, judged by my own experience.

Some have made the argument that all this subsidizing will reduce delinquency and will make for a stronger family life. I doubt that. What is the great problem of today, on which the whole future and stability of this country may depend? It is the gradual disintegration of the American family by easy divorces. A divorce, in my book, is the greatest American tragedy. Partly it is caused by our crazy laws. Is this evil largely prevalent in family with very low income? We all know it is not. The well-to-do, the rich, the prominent are the greatest sinners in this regard. A person's marriage should be the apex of his life. It should be the moment of greatest hope and happiness. Why? Because from that time on you are tied to a partner for life. You bind yourself for better or for worse to live with the one you love. When that goes on the rocks, all else becomes tinsel. But think particularly of the children who should have the example of a happy, united, and harmonious home. When the divorce comes, that weakens the ideas of those young loved ones, who in the future will be the fathers and the mothers of this Nation. When their marriage comes, they are already weakened by example. When little trivial things arise they will probably remember that papa and mamma did not get along, and got a divorce, so why should not they. Is that among these families that you are all weeping such bitter tears over? Not at all. Those people struggling on small

incomes are the ones that stick together and make the grade; at least their children do. Scarcely anyone in this country is fighting this problem aggressively except the Catholic Church and the Seventh-Day Adventists. The Catholic Church simply will not recognize a divorce. Our crazy laws then come along and help the transgressors get the divorce that they really should not have. The divorce is the great cancer weakening American families, the great stabilizer of our social system.

Give the people too much and you weaken them. They get used to looking toward the Government to take care of them. When I was a boy—the son of a lumberjack—when we got in trouble we said to ourselves: "How can we handle this?" We did not say, "Where is the mayor, where is the relief officer, or where can I find a Congressman?" We relied on ourselves. I know there are exceptions where society must take a hand; but, my friends, they are the exception. Give the people a chance and they will work themselves out of their difficulty, and you will at the same time develop sturdy, independent, self-reliant, and self-supporting Americans. You cannot do that by a "give-me system" that treats people as paupers, wards of the state, and emphasizes their inferiority.

Slums: Yes, we should help clean them up. If you would give me a chance to vote for that part of the bill I would be glad to do so. The people in the slums—especially those in the large cities—are trapped. We must find some way to help them. The cities could, but perhaps they will not. At any rate I saw slums in New York 30 years ago and I presume they are still there. Perhaps our National Government should go to their relief if New York will not. But do not pauperize all those people by subsidizing the people, regardless of their particular situation. It will kill their desire to get ahead on their own efforts. You will kill off that great thing that has built America, the chance to make good by your own work and initiative.

Loans: Yes, they are fine. We have the finest program of this kind in the United States in California. It is the program of the California Veterans' Welfare Board. Conceived in the early twenties it has loaned hundreds of millions to veterans. Every cent will be paid back by the borrowers—the veterans, including the cost of administration. They built their own homes, because a grateful State provided them with low interest terms, easy long-term payments, and excellent advice on the buy that each made, either of a house already built or one that the veteran himself had built. There you have something that stimulates the desire of the veterans to be independent; to stand on his own feet; to take care of himself if he is given the opportunity. I am surprised that those 22 Democrats who put in bills providing for loans at cheap interest rates did not vote for Mrs. BOLTON's bill, which contains a loan provision.

I have been for public power; roads, flood control, and so forth. But those are entirely different than subsidies.



They are the harnessing of great natural resources, open to all who are able to use them. They do not specially benefit any one individual; they are for everyone qualified to use them. They do not specially benefit any individual; they are for everyone qualified to use them. They are not things in which the Government comes out and practically tells you that in free America, you are in such bad shape that the Government must chaperone you, give you money, and provide for you, so you may live decently.

I recently took a census of the Members of Congress to determine how many of its members had one or more parents who migrated to America. Sixteen and seventy-five hundredths percent have a parent or parents who came to America to start life over. One out of every six members of Congress, 89 in all, came from such homes; where they had a chance to hear about the opportunity America offers as distinguished from the opportunities in the old country. Most of these migrants—as my father did—came in steerage. Some of them never got beyond the stage of being a workman with his hands. But their sons had a chance—not through subsidies—but through opportunity to work and learn and save and acquire property. And here they are in Congress a symbol of what America can do to those who want to work. We never got nor did we want any subsidies. I will mention one, whom I do not think many of you can identify, who to my mind typifies this group and who is a symbol of what America offers. His father came over in steerage from Europe. Then he worked as a laborer. He had six or seven children, one of whom sits on this floor and everyone of you that know him respect him highly. Here is what that family turned out—without subsidies and without financial aid from the Government—a priest, an Army officer; a high county official; a Congressman; a great lawyer, holding an important Government job and the others have been successful in the civilian economy. They were not money crazy; they did not want anyone else to build their houses for them. All they wanted was a chance and every one of them got it and made good. All of them are happy and all but one have and are raising happy contented families. All of them but one are married and now living with their first love—the mother of their children. These are the kinds that built and are building America and conquering the new frontiers of America. They want more homes for our people; better educational advantages; sturdier and more moral children; citizens who will respect our Government and thank God for it and men and women who will have religion and practice it in their daily life. They don't want anything for nothing and never did. They are the kind that made America great. They want America to continue as the land of opportunity that develops sturdy and strong citizens who are intelligent and balanced enough to realize what America means for every person in it, who is willing to work. Yes, and they want to help those who are unfortunate, not because of their own indolence, but by cir-

cumstances under their control. But that help should only be enough to get those unfortunates to a place where they can help themselves.

I hope I can vote on the bill later on that will give liberal, low-interest loans to veterans who want to build homes. That is real help that will build sturdy citizens and not citizens who will be pauperized by Government subsidies and interference in the private lives of individuals, which helps may act as road blocks to the development of sturdy self-reliant citizens, such as made this country what it is.

Mr. O'BRIEN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, H. R. 4009 in its provisions for slum clearance residences and public housing aims to help the lower-income families who are renters. It happens that about half the families in the Nation rent their homes and the other half own their homes. There can be many reasons why a family rents rather than purchases, and probably the most common reasons are that they have not established their income sufficiently to afford a down payment on the purchase of a home.

For the last several years new construction has gone into providing homes for sale rather than for rent. In spite of the fact that 1948 was the best year in a long time for home construction, and more than 950,000 dwellings were built, only 17 percent of them were for rental occupancy, although renters constitute about 50 percent of the dwelling occupants. During this time builders had the added incentive of having new construction freed from rent control. This bill provides the machinery whereby private capital, through the purchasing of housing bonds, can be drawn into the field of rental construction for the lower-income families, and thus make further rent-control legislation no longer necessary. Without legislation such as this, it is clear that private capital will not go into the field of construction for the needed rental units. This need, too, exists on a national scale among the various cities and States, and more than 450 local housing commissions throughout the Nation. It is therefore important that the Cole amendment be defeated and that the amendment, which slashes almost 25 percent from the program by reducing 240,000 dwelling units from the plan, should also be voted down.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. O'BRIEN] has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we should have in mind in voting on this amendment this very salient situation. I cannot understand why they have agreed upon this magic figure of 810,000. Neither have I ever been able to understand how they arrived at the figure 1,050,000, unless it was purely arbitrary.

According to the statements made, and according to the statements made elsewhere in behalf of this bill, the million units would take care of only about one-seventh of the families which come

within the category of those allegedly benefited by this act. Of course, it is very obvious that a reduction from 1,050,000 to 810,000 is to try to appease somebody who thinks that the program is too large now.

But let me reiterate what I said the other day, that there are 7,455,800 families who, because of their income being \$1,600 and under—and, parenthetically, I might say there are 10,000,000 families which have an income of under \$2,100—but using this other figure and being conservative about it, it seems to me you are going to attract this program to the American people, and if you are sincere in the argument that you use for it, you should multiply the 1,050,000 by 7, instead of cutting it, because it would take 7 times that 1,050,000 to do the job. Seven times the \$16,000,000 I called attention to the other day is a matter of \$114,000,000.

The testimony of the so-called progressives before the committee was to the effect that if we once established this as a matter of policy they would see to it that there was political pressure enough brought to bear upon the communities in the years to come to expand the program sufficiently to take care of all of the people within this category. So, by legislating as a matter of policy today, it does not make any difference whether you provide for 50,000, 100,000 or 500,000 units; after you have once established as a matter of policy that there is the obligation on the Federal Government to go into this field, then either you or your successor who will campaign on this admission is going to see to it that this program is expanded sufficiently to take of everyone. Let me reiterate also that there is not anything in this program which will affect any areas outside of possibly 10 metropolitan areas. I say that because only 10 percent of this program can be utilized in any particular State, and it is not hard to count 10 States which have large metropolitan areas. They are the only ones which are going to participate in this program. Those of you who live outside of these metropolitan areas must vote for an expansion of this program 7, 8, perhaps 10 times before your localities will be able to participate in the program.

I understand also that this \$16,000,000 which has been talked about is only two-thirds of the program; that in reality it is a \$24,000,000 program; \$8,000,000,000 must be raised locally.

The CHAIRMAN. The time of the man from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to conclude debate on the pending amendment and all amendments thereto; I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 1:50.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Debate on the pending amendment and all amendments thereto will close at 1:50. During this time the Chair will recognize the fol-



lowing Members: Messrs. MULTER, SABATH, MONRONEY, NICHOLSON, BUCHANAN, O'BRIEN of Michigan, REES, ANGELL, JAVITS, and SPENCE.

The gentleman from New York [Mr. MULTER] is recognized.

Mr. MULTER. Mr. Chairman, the amendment offered by the gentleman from Kansas [Mr. COLE] is just another one of the many crippling amendments that we have been offered since we started consideration of the bill. The arguments that are being made against this bill are getting into the sphere of absurdity and silliness.

The gentleman from Kansas purports to quote the President as saying that the authorization asked for in the bill is 100 percent too much. The President did not say that. He said that the opponents of this bill were exaggerating the estimated cost at 100 percent more than it would actually cost. The President did not suggest that the bill sets a cost that was 100 percent more than is needed.

The effort here to cut in half the appropriation or the allocation of funds for this program is another attempt to make it impossible to fulfill the program. There is no magic in these figures, I may say to the gentleman from Michigan. Obviously, what we have done is to come forward with a compromise figure. The other body set forth 810,000 units in its measure. By adopting the amendment urged by the chairman of the committee now we will be putting in the bill the same figure, 810,000 units.

To those who say we do not know where we are going with this legislation, and that it solves none of our problems, let me point this out to you. If you take the same attitude with reference to the Public Health Service, since we are only spending \$110,000,000 a year for public health we ought to forget about public health and save the money because we are not solving the public health problems of the country with so little money. The same may be said with reference to the educational problems of the country. Why not just forget about education. Federal aid of \$300,000,000 will not educate our children.

The same situation exists here. If you do not want to do anything about the housing situation, stop offering crippling amendments and let us vote the bill down, if that is the way you feel. I am sure the majority of the Members of the House feel otherwise about this housing bill.

EXPERIENCE PROVES THAT THE CONSTRUCTION OF PUBLIC HOUSING DOES NOT HINDER OR IMPEDE PRIVATE RESIDENTIAL CONSTRUCTION

It has repeatedly been charged by the opponents of this bill that the construction of public housing will impede the work of private builders—indeed, that it will so discourage them that they will greatly curtail, if not indeed stop, the production of needed private homes.

No proof has ever been advanced for this contention for the simple reason that there is no such proof.

The fact is that all the experience in cities where low-rent housing was built under the original program proves exactly the opposite. The construction of

public housing has had no influence whatsoever in stopping or even decreasing the amount of private housing that was being built during the same period. Indeed, in the cities where public housing was built, private enterprise showed a tendency to increase rather than to decrease its rate of activity in relation to the rate of Nation-wide building activity.

This is well illustrated in the case of San Francisco. In 1937, private builders started 1,946 new dwellings, and in 1938 started 2,724 dwellings. In the next year, 1,359 units of public housing were put under construction. In this same year, the number of units started by private enterprise increased to a total of 3,133. Nor did the construction of the public-housing units started in 1939 impede the activities of private enterprise in the following year, for in 1940 private builders started the construction of 4,430 units.

If the construction of public housing could possibly discourage private enterprise, it should have discouraged it in San Francisco in the years 1939 and 1940. Yet, as these figures show, the total of private construction in these 2 years was 62 percent higher than it had been in the two preceding years. In these same 2 years, private home building in all cities in the country increased by only 36 percent. It is thus evident that San Francisco, far from lagging behind because of the construction of public housing, actually forged ahead in private construction in the very 2 years in which public housing was also being built.

This experience is typical in city after city—even where the public-housing program was relatively large. In Omaha, Nebr., for example, private enterprise which started the construction of 713 dwellings in the years 1937 and 1938 increased its starts to a total of 1,147 in the years 1939 and 1940. Yet in these same years, 1939 and 1940, the local-housing authority of Omaha started work on a relative large program of 794 units of public housing. Did this impede private enterprise? No. The record is clear because in these 2 years private enterprise in Omaha increased its activity by 61 percent, as against a Nation-wide increase of 36 percent.

To make abundantly sure that this experience is typical, a number of cities have been selected in which the public-housing program was relatively very large in relation to the size of the city and in relation to the amount of private construction. The public-housing units in all these cities were started in the years 1939–40. What was the record of the private builders in these 2 years when public housing was being developed, in relation to their record in the two preceding years? In Atlanta, Ga., private enterprise increased its activity by 60 percent; in Birmingham, Ala., private enterprise increased its production by 127 percent; in Charlotte, N. C., by 66 percent; in Huntington, W. Va., by 51 percent; in San Antonio, Tex., by 54 percent; and in Springfield, Ill., by 91 percent. These increases in private construction during the very period when public housing was being developed in these cities compares with a Nation-wide

increase averaging only 36 percent. These cities are places where the public-housing programs were relatively large. Here, if anywhere, the alleged discouragement of private enterprise by public housing should have been apparent. These facts reveal that there is not a scintilla of evidence pointing to any such discouragement of private enterprise.

These figures prove what, of course, is apparent to any reasonable person who takes the trouble to understand the purposes of the public housing program. The families which public housing serves have such meager incomes that they can be provided with decent housing only with the aid of some public assistance. Private builders never have catered to these families, nor have they any intention of doing so. The figures which I have presented merely demonstrate once more that the market for public housing is utterly separate and distinct from that of private building. The extension of the public housing program can therefore have no conceivable effect in retarding or discouraging the needed production of homes by private builders, and the opposition of the realtors' lobby to public housing is shown up as nothing more nor less than that of a "dog in the manger."

This Nation needs a large additional supply of decent housing to take care of the families now living in the slums. The existing supply of private housing which meets decent standards is being used to its utmost capacity, and private enterprise admittedly cannot build new housing for families of very low incomes. There is no other way of getting decent homes for families now living in the slums except through the public housing program. We should provide for the extension of this program by adopting H. R. 4009. And we should do it now—for every day's delay prolongs by just so much the date when families now living in the slums may commence to move into decent housing fit for American citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, at the first opportunity offered I expect to present an amendment that will strike out title II of the bill. I see no reason why we cannot support this amendment and put the bill more in line with what we may think reasonable if a bill is passed at all. Furthermore it is more in line with the President's estimate of the cost of the legislation.

There is nothing wrong with the amendment of the gentleman from Kansas in limiting the amount to \$10,000,000 instead of \$20,000,000,000.

This is not a bill that will take care of everybody who may qualify. It will only take care of a very small percentage of the people of this country anyway. It will be one of these cases where many are called but few chosen. There will be a chosen few who will come under this title of the bill the way it is written. As someone has suggested, they will be from the metropolitan areas, not from your small area in Nebraska, sir, or from my State or from any other agricultural State, but only from certain metropolitan areas.



Mr. Chairman, I still insist that we ought to know whether this bill is going to cost \$20,000,000,000 or \$18,000,000,000 or \$10,000,000,000. When we have a difference here of about \$10,000,000,000 we ought to know something about it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from New York sought by a rather lame apology to defeat the Cole amendment. The issue is that the President when he wrote the letter to the Speaker of the House either knew what he was talking about or did not know what he was talking about because he specifically said as of the bill, that I take it was the bill then pending, that the total cost to the Government is estimated at \$9,000,000,000 to \$10,000,000,000.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

#### A FORWARD STEP FOR ADEQUATE HOUSING

Mr. SABATH. Mr. Chairman, I am inclined to believe that if the gentlemen from Kansas [Mr. COLE and Mr. REES], the gentleman from Michigan [Mr. WOLCOTT], and others who preceded me were familiar with the groups who have been in the past and are now opposed to rent control as well as this bill, that if they knew their background, that if they would realize that these groups are behind the real-estate lobby—the most astute and subtle lobbyists ever to infest this Capitol—who are furnishing the sinews of war to destroy this legislation, of which they should have knowledge, I am inclined to the belief that they would not lend themselves to that group of avaricious and unscrupulous men to whose benefit the defeat of this legislation would inure. They are the men who now control many hotel and apartment buildings that they obtained, as I will explain later, under questionable conditions and at extremely low prices. They are the self-same groups who threatened to refuse to rent their apartments if the Rent Control Act was not repealed and who forced their tenants to pay increased rentals ranging from 150 percent to 300 percent. It is their effort now to stop or retard any housing construction in order to continue to exact high rentals for apartments in the buildings they own.

And now, Mr. Chairman, I shall explain the reasons for these remarks.

During the heydays of 1927, 1928, and 1929, the investment bankers and mortgage houses unloaded, \$22,000,000,000 worth of so-called real-estate gold bonds on the American people. When the crash came, these investment bankers who unloaded the bonds, were the only ones who had the names and addresses of the unfortunate bondholders. They started in with their agents to obtain, in many cases fraudulently, powers of attorneys from the bondholders and organized so-called protective bondholders' committees. They came into possession of thousands of apartment buildings and hotels in the United States to the detriment of over 2,000,000 American citizens who in good faith invested their hard-earned savings in these real-estate bonds.

During the years they held possession and control, very few of these committees paid the bondholders a cent of interest. It was my committee which brought to light their shameful betrayal of the trust reposed in them by the bondholders whom they robbed instead of protecting. They used the money they collected to pay high salaries and enormous fees to themselves, their lawyers, receivers, trustees, and depositaries. They used false reports that discouraged the unfortunate bondholders who sold their bonds at a few cents on the dollar to these double-dealing slickers.

When the House authorized a select committee in 1935 to investigate this deplorable situation, I was appointed chairman. Shortly after the committee started to investigate the manipulations of the so-called protective bondholders' committees who acquired these bonds at the outrageously low prices of 2, 3, 4, 5, and 10 cents on the dollar, they started to dispose of many of the properties to those associated with them at extremely unwarranted and ridiculously low prices. They are the same people who obtained these properties in conjunction with other manipulators who were behind the opposition to the Rent Control Act and who, today, are supporting the movement to hold back construction and create home shortages in order to continue to exact high rentals whenever possible.

These avaricious groups not only acquired almost all the largest apartments and hotels, as well as many of the smaller ones in old communities, and deliberately failed to keep them in repair, and ultimately succeeded in having the localities where they were situated designated as blighted areas with the sole object of precluding owners in these sections from obtaining HOLC loans for repairs and improvements. Those sections today are now blighted areas or slums and, due to the great shortage of rental homes the people are obliged to continue to live in and pay unconscionable rents for these dilapidated and almost unlivable quarters. Consequently, these buildings regardless of the unsanitary, crowded, and unhealthy conditions there, have remained continuously occupied all these years to the great advantage of greedy groups who today are and have been materially helping and financing the most wicked lobby in the Nation's history to defeat this bill. And these gentlemen have succeeded in influencing many Members to give them aid and comfort in their scheme to retard construction of homes and rental units and to clear slums and remove blighted areas by opposing this legislation.

Mr. Chairman, in years gone by when the opposition had no facts or arguments against pending legislation, they would usually charge that it was unconstitutional. Of late, they use the lame argument that legislation is socialistic. It is strange that the same gentlemen who now charge that a bill is socialistic, advocated and voted for more millions for socialistic Great Britain and Nazi Germany, to build homes and for other purposes. But they oppose this bill to relieve the millions of homeless veterans

and citizens in their own country who vainly seek to obtain liveable quarters.

Mr. Chairman, the bill before us makes a basic legislative proposal which presents a clear statement of a national housing policy, the objectives to be attained and the establishment of a permanent over-all Federal housing policy. The program originally called for 1,050,000 housing units to be constructed in 7 years. The Committee on Banking and Currency agreed to reduce the number of units to 810,000 as provided in the Senate bill.

The bill permits Federal aid to localities to help them make an effective start toward clearance of their slum and blighted areas.

It would authorize Federal financial assistance to extend and perfect urban and rural non-farm housing for those imperatively in need of housing or those inadequately housed. Provided also, are other special loans and grants for improvements to farm housing and buildings with a moratorium on payments under loans outstanding upon proper showing to the Secretary of Agriculture. These loan funds total \$250,000,000 in varying amounts from July 1, 1949, through July 1, 1952, with additional grants and contributions totaling over \$18,000,000.

#### TECHNICAL RESEARCH

The bill further calls for all-inclusive technical research and study seeking to obtain progressive reductions in housing costs.

Veterans are granted preferential rights to housing built under this act. The history of this and other housing legislation is well known to those of us who have been actively interested in relieving the deplorable conditions which, if not cured or alleviated, will sentence to a life of squalor and makeshift shelter, millions of our people including young children, the future citizens of the richest country in the world, to be brought up under conditions incubating disease, crime, delinquency, and wretchedness.

Nor do we forget the old and the aged who through misfortune or conditions beyond their control, after having lived honorable lives of usefulness and honor, are forced to inhabit urban slums or hastily set up temporary shacks.

And what about the sad plight of the veterans who upon their return home from distinguished service on world fronts, are consigned to trailer camps or living with relatives in close, unsanitary, and cramped quarters?

Public action now becomes imperative and must be taken immediately under this bill if these terrible housing conditions are to be corrected. Private enterprise has failed to provide decent housing for low-income families. At least private enterprise, except in rare cases, has not undertaken the job thus far, in view of the financial considerations of which they complain.

The cities are handicapped because of many reasons but most important of all, because of costs involved and the limitation in their taxing power which might give them access to the financial means necessary to absorb the entire expense of



clearing slums. They have tried but without success in most cases. Consider as an example my city, the city of Chicago, which, though it has attained a measure of success, has been struggling with this problem since before the war. In 1947 the city council of Chicago referred to the people a bond issue totaling \$30,000,000, \$15,000,000 for slum clearance and \$15,000,000 for rehousing. The people of Chicago voted overwhelmingly for this bond issue.

The State of Illinois also made a substantial contribution as did the Cook County Board of Commissioners. These governmental agencies in Illinois and more particularly in the metropolitan area of Chicago already have a heavy burden of financial support for providing additional low-rent housing. But thus far the results are far from conclusive. Slums exist and with them the high costs of police and fire protection, disease, crime, juvenile delinquency, public health, and public welfare services.

Poor housing can be breeding places for communism. Communism thrives under conditions which prevail in slums. When people are preyed upon, miserable, depressed, and unhappy because of the indecent conditions under which they are obliged to live, they are apt to turn to any program which they hope will raise their standard of living.

In my district the problem stubbornly persists in spite of all efforts of the city, county, and State officials to do the job of clearing the blighted areas therein which are a disgrace to our American civilization. And I mean to use all the power and influence of my office to serve these deserving Americans who have suffered and continue to suffer because of these disgraceful housing conditions. At this point let me interject that in the low-cost-housing projects of my city, men and women of all races, creeds, and colors occupy units in the same housing projects and live in peace and quiet, thereby giving an honest answer to the argument made by the opponents of this bill, among them Mr. COLE the gentleman from Kansas, that there is racial discrimination in this bill. Yes there is discrimination but not the kind Mr. COLE complains about. My city and district are no different in their urgent need of financial assistance for housing than any other in the country.

In spite of the poverty and deterioration of these blighted areas, the cost of the land is high. Then too the assembling of the land in these close-in areas takes time and is also costly. The landowners fight these acquisitions vigorously. Titles are often clouded and court action is made necessary, slowing the acquisition procedure. Resort must be had to eminent domain to acquire and assemble these tracts. The city of Chicago is in the throes of these difficulties, what with its attempts at securing a standardized building code and regulations and methods for its uniform administration.

Chicago's City Council has endorsed Mayor Martin H. Kennelly's housing program. This housing program of Chicago calls for liberal Federal assistance

in carrying out the program. I congratulate Mayor Kennelly for his success in obtaining approval of this bill by the city council.

The United States Conference of Mayors recorded its support of H. R. 4009. The Conference of Governors of 42 States has advocated the basic provisions of this bill. Hence, the conclusion is inescapable that the Federal Government must aid the cities and the States, as is provided in this act, to acquire through purchase or condemnation, a slum or blighted area chosen with the accepted local plan or development. I am confident that all these areas after redevelopment will not be subject to, or likely to return again, into the same slum or blighted condition.

#### FAMILIES DISPLACED TO BE REHOUSED

In this connection, I touch upon another objection interposed by those fighting this beneficial measure. These opponents claim that when we tear down bad housing, we dislodge the tenants, who, then, have no place in which to live. However, they overlook section 202 of H. R. 4009 which provides that preference to families displaced by slum clearance shall be given to enable the rehousing of such families and permit the redevelopment projects authorized.

We are well aware that this bill does not contain all phases of the housing question which require attention. To cite a few, namely, to provide housing for middle- and lower middle-income families unable to meet present-day prices for dwellings and improvements in the existing programs of the FHA, modifications and liberalizations of existing provisions for insurance of private mortgage investments in sales, rental and cooperative housing, as well as liberalizing secondary markets for GI loans, and study for Federal aid for needed housing construction at colleges and universities. These problems will be given attention as quickly as the other aspects are resolved.

#### FURTHER CHARGES BY SELFISH AND PROFIT SEEKING OPPOSITION

The charge of socialization or nationalization cannot stand. Critics of the bill charge that the Federal Government will exercise dictatorial power over local communities and will socialize and take over the housing industry. First of all, the communities are not forced to participate in any of these projects. Action by them is purely voluntary and at the option of the local governmental agency. In the event the local agency accepts the project upon its own initiative, the local authorities take over the program and they, not the Government, plan and carry it out. The Federal Government furnishes the financial assistance, technical aid and advice, and sees to it, that the intent and statutory requirements of the act are strictly followed. This is not unreasonable and the same procedure is followed in similar projects sponsored by the Federal Government.

#### PRIVATE ENTERPRISE AIDED, NOT OBSTRUCTED, BY H. R. 4009

The fear that private enterprise is interfered with has no basis. The con-

trary can be shown. Under this bill, private housing enterprise is to be encouraged to serve as much of the need as is possible and capable and governmental aid is to be enlisted in that support. Further, it is planned that private capital is to be afforded the greatest opportunity to participate in the redevelopment of slums or blighted areas. There is a differential of at least 20 percent between the upper rental income limits for admission to public housing and the lowest rents at which private housing is providing a sufficient amount of good housing in that section either new or old, for rent or sale. In this way competition is obviated between public housing and the housing industry under this bill.

#### HOUSING RESEARCH AND STUDIES TO AID PRIVATE ENTERPRISE

As a further aid to private enterprise, an important section, title III, has been added, a Federal research and study plan for development of new and improved techniques and methods in housing construction. The home builder who seeks to build more and better homes at lower prices to maintain his business will accomplish better his task if he has in his possession and makes use of the research into basic cost factors. Likewise with this research information, the lending banks or investment houses may better and more wisely make selection of investments for their clients. Producers and distributors of building material and equipment will be benefited by this information and the local State and Federal governments will be in a better position to judge what action they should take, with regard to the solution of their housing problems. So it can be seen that there is nothing in this bill which hinders or impairs the present position of private enterprise in housing with the Housing and Home Finance Administrator bound to undertake a vigorous and realistic approach and program into all of the accepted and known obstacles to the attainment of a successful housing program.

Under prior legislation, Congress was empowered to reexamine the entire need for public housing, check up on the results attained, and then proceed to make further plans. This the House bill 4009 envisages and accomplishes. After such reexamination of these findings, the bill proposes a minimum program based upon the present acute and dire housing problem.

As a matter of fact, there is a large intermediate group which will be considered later. This is the income group between the low-income group herein provided for and those who have an annual income above \$4,500. This group also sorely needs relief, and I hope that Congress will provide this relief expeditiously.

Mr. Chairman, every economist and well-informed citizen not controlled by big money and real estate combination recognizes the need for this legislation. I have before me hundreds of letters, petitions, and telegrams from the American Legion, Veterans of Foreign Wars, and other veterans' organizations, as well as the A. F. of L., CIO, League of Women Voters, housing associations, and civic



and social organizations. Every stratum of life is well represented, urging and pleading for favorable action on the housing bill. Some of these ask that their pleas be inserted in the RECORD as part of my remarks. This I regret I cannot do.

As I have pointed out several times on the floor of the House the opponents of this legislation have made outrageous statements as to the cost of this legislation. These are wilfully, deliberately, and recklessly overstated. The facts are, as I stated on the floor on June 8, that not more than \$225,000,000 annually will be needed to adequately furnish the needs of this legislation. With the reduction to 810,000 units the cost will not exceed \$187,500,000 yearly or a total of seven or eight billion for the total 40-year period. The opponents wilfully and deliberately misstated—yes, doubled the amount of the cost to the Government. In addition, I want to bring home the following facts, namely, that during the last 10 years the Congress appropriated for agriculture alone the sum of \$1,500,000,000 annually. The cost of this bill is approximately one-ninth that amount, or 12 percent as much as the appropriations for agriculture. In addition, Congress appropriated during the same period almost a billion for reclamation projects in the West and Southwest. Consequently, I feel that the gentlemen representing the agricultural sections and other sections of the country will realize and recognize that they too owe some consideration to legislation that will benefit, to some extent, the urban centers. All farmers have their own homes, but those city workers who make it possible for the farmers to increase their production by the use of their labors in the factories which produce efficient machinery are also entitled to receive fair treatment in return.

Mr. Chairman, I have observed in the last few weeks that the Republicans and their Dixiecrat cooperators have raised and will continue during the consideration of this bill the hue and cry of economy in opposition to this measure, which economy is ignored, however, when it comes to legislation benefitting their own sections. I agree that our Government must practice economy and I believe that public housing for the poor is a good place to begin. What greater economies can be effected than when we eradicate the social cancer of the slums?

This bill, to my mind, at least, will arrest a recession because it will create a demand for materials and utilities of all kinds that go into the construction of these homes and will be an incentive for and will bring revenues to the Government. For this reason all uncontrolled and unbiased persons favor this bill in order to take up the slack. To my mind, the politically and artificially created cry that the opposition is making certainly is misleading, because corporations have made more profits during the first quarter of 1949 than they made in the banner years of '47 and '48. In this connection, I inserted in the CONGRESSIONAL RECORD on June 21 a statement of corporate assets which proves clearly the steady and profitable expansion of many

corporations which have gained tremendous profits during the first quarter of 1949. It appears to me that certain Wall Street and industrial interests aided by the Republicans appear anxious to bring about a recession, and are using as an argument the present record of unemployment as they did in 1947 and on every occasion when relief or labor legislation is pending. But the record is otherwise, and clearly shows that more workers have been employed in the last 3 months than have been laid off. The record for May 1949 shows that 300,000 were laid off and over 400,000 employed. Again, if their contention is true that a recession is on its way, do they not realize that the housing program will stimulate and reverse employment lay-offs? They ignore the true facts. Then, too, we are pretty well buttressed against a serious economic mishap. Banks are overflowing with money for sound investment purposes. Many people have money for purchasing goods, but are holding out for lower prices. The people have faith in our Government.

The present situation is much unlike that which held forth in 1929 when after the stock crash big business and the Republican administration whistled in the dark with reassurances such as Herbert Hoover's, then widely publicized as a sage, and voiced the statesmanlike statement, "Prosperity is just around the corner." Yes, it was around the corner, but it failed to return until a Democratic administration took hold and restored our economy. Mr. Hoover went out of office much repudiated and scorned by the Nation. His name became anathema to the American people and was and is today symbolic of suffering and distress.

Let us learn from the lessons of the past and profit by the mistakes of the past, thereby providing against a recession becoming something more serious. H. R. 4009 will provide a safe, sound, and needed stimulant to the social and industrial life of the Nation.

Many of you charge and cry out communism, communism, communism, socialism, socialism, socialism, but these charges and cries are merely made to mask a form of fascism which is as dangerous and deadly as communism and socialism. This is what the opponents of this legislation, in view of the arguments they advance, appear to favor.

#### EACH STATE WILL GET ITS PRO RATA SHARE

It has been charged that 10 States will get all the funds in the entire program under this bill. The argument is also made that 10 percent of the appropriations may go to any one State and that 10 States could use it all. The United States Housing Act, which would be amended by H. R. 4009, limits 10 percent of the funds to any one State. It does not follow; in fact, it is ridiculous to assume that because there is an absolute limitation of 10 percent to any one State that it necessarily follows that 10 States would get it all.

Under the present low-rent housing program, there are projects in 37 States. There are 42 States with enabling legislation permitting local housing authorities to undertake low-rent housing proj-

ects. Four additional States passed enabling acts since funds under the original act were exhausted. As under the first program, the units in any additional program will be equitably distributed among the States and the communities on the basis of need. The same policy has been followed in the United States Bureau of Highways and similar programs.

During my 43 years' service in Congress, I voted for all the farm legislation and all legislation helpful to the South. I am satisfied that the entire country has prospered during the last 18 years because of the progressive and liberal legislation enacted, designated as New Deal legislation. Although there is some temporary recession now, as many financial writers who are stimulated and encouraged by Republicans now state, we are still in the same stable economic condition as we were in 1947, and they are emulating their destructive and scare propaganda of 1947.

I know business conditions are favorable today and if we continue to legislate in the interest of the people and carry out the pledges we have made to them, those of us who will vote for this legislation will remain here for many more years.

I have been an active Democrat for 63 years, elected consecutively to Congress 22 times—my last election by a majority of 96,000. I have been a ward committeeman and district leader in Chicago for almost 50 years, and for 12 years I served as chairman of the Democratic Cook County Central Committee. Before I became chairman of that committee, the county of Cook had been Republican for 16 years. The Democrats had lacked unity during this period. In 1910 I brought about harmony within the ranks of the Democratic Party by uniting the various factions in the party. The result was a Democratic victory. I aided in building up an organization which placed Illinois in the Democratic column. During all these years I have been a liberal and progressive Democrat. This stand, as I have stated before, has made possible my reelection 22 consecutive times.

In years gone by I frequently met the opposition of reactionary Democrats serving special interests. These vested and special interests, together with large manipulators and financiers, have been, and are at all times, opposed to me and against the program of the Democratic Party, they having contributed millions of dollars to Republican treasure chests in opposition to all Democratic candidates for President, Congress, State, and local offices.

#### LOBBYISTS SHOULD BE CURBED

I shall not encumber the RECORD with the many hundreds of telegrams, letters, and resolutions that I have received from every section of the country on behalf of this bill. These communications, most of them from the unorganized segment of our population—the man in the street, the mother and wife in the home—gave their answer honestly, clearly, and forcefully to the organized lobbies now floating around Washington, unrestrained and arrogant in their activities.



I regret that my resolution which would investigate and keep lobbyists within proper bounds and force them to observe the proprieties of fair and equitable treatment of any subject of legislation has not been adopted.

Most of the falsehoods, half-truths, and untruths of the selfish, avaricious groups, set out for them by the corruptive million-dollar real-estate lobby, have and are being magnified whenever possible in order to mislead the membership and the country as to the real cost and real effect of this legislation.

It must be observed, however, that most of these attacks against the bill charging socialism and puffing up the actual cost, comes from individuals and Members who voted for the millions and millions of dollars that were appropriated to aid the socialistic British and Nazi Germans in their efforts to build adequate housing facilities for their people and other unfriendly nations. What they are doing is permitting themselves to be used by the real-estate racketeers in an organized effort to assail and oppose the bill now before us.

Another excuse that they utilize, is that we should let private industry build these much needed homes for the waiting 2,000,000 ex-servicemen and the three or four million other homeless Americans. As a matter of fact, private industry was given every conceivable opportunity to relieve the housing shortage. The Congress, upon their persistent appeals, has repealed all the restrictions on building and given them a free hand upon their promise they would supply adequate housing for the low-income and middle-income groups commensurate with their pocketbooks; but instead of this, they built homes and apartments outside of the reach of the average pocketbook. Homes were built ranging from \$12,000 to \$25,000 or more, because the profit element in the higher priced homes is much greater. The few homes that were built under \$10,000 were unfit to live in because of the cheap quality of construction and materials. We must take this matter out of the hands of private industry for they have proven themselves highly uncooperative. H. R. 4009 is the answer to the problem, at least in part.

The dishonest and false representations set forth in the propaganda of the lobbyists against this housing bill have been so contemptuous that a further strengthening of the present curbs on the outrageous and shameful activities of the hundreds of lobbyists who infest the Capital should be encouraged. They are using every conceivable and unfair method to influence Members against the bill. Their unscrupulous conduct, I am sure will give further impetus to, and expedite the passage of, the resolution now pending in the Senate pertaining to the investigation of lobbyists.

In view of these facts, I feel that this legislation which, as I have previously pointed out, is demanded by millions of underhoused Americans and pleaded for by the governors of 42 States, the mayors' conference, all veterans' organizations, civic, religious, and other groups, should be passed.

I shall vote for H. R. 4009 not only because it strikes a strong and resounding blow at a cancerous condition in our American society, but also because it provides for the general welfare of the people of the United States of America.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, in the President's letter to the Speaker he wrote this language:

The facts are that the amount of money provided in H. R. 4009 to build 1,050,000 dwelling units will permit an average cost at the most of \$8,465.

I do not know whether everyone is familiar with, or understands exactly how that figure of \$8,465 was arrived at. It is this: In the pending legislation the amount of annual contributions which can be made by the Federal Government is limited to 4½ percent of the cost of the project. So, by dividing 4½ into \$400,000,000, and then multiplying it by 100 you find the maximum cost which can be covered by \$400,000,000 of annual contributions at 4½ percent. The figure you obtain is \$8,888,888,888.89. Then if you take 4½ percent of that figure, you check back and find it comes out to \$400,000,000 annually in contributions. Now, the figure \$8,465 is arrived at by dividing 1,050,000, the number of units allegedly to be built, into the capitalized cost of \$8,888,888,888.89.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. Where does the question of production cost enter into this?

Mr. KUNKEL. Well, that is the peculiar part of it. The question of production costs never enters into it at any time at any spot. It is purely a mathematical calculation. All you need is a pencil, a sheet of paper, and an ivory tower. The \$8,465 figure has no relation whatever to production costs. In order to learn about costs, why you would have to talk to the bricklayers and the construction workers and the people who are going to sell the materials and those who are to build the project. The bill itself indicates these costs would be around \$1,750 to \$2,500 per room, because it sets these limits on the cost per room. Only a tiny, few-room house could be built in New York, Detroit, or Chicago for \$8,465. If standards and durability are not to be sacrificed, and if the houses are to be four, five, or six rooms—to house larger families—then you certainly would not be able to construct 1,050,000 units within the \$400,000,000 annual limitation and pay the projects on the basis of 4½ percent of the cost.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(Mr. KUNKEL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. SPENCE. Mr. Chairman, I yield my time to the gentleman from Oklahoma.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I have not spoken on this bill because there are so many Members whose States the bill so vitally affects. Excepting for the farm-housing sections, this bill cannot affect Oklahoma because we do not have an enabling act to permit us to share in the public-housing features. However, I am for the bill. I know the Congress has felt the responsibility to vote funds that would help Oklahoma and other like agricultural States in soil conservation to prevent the erosion of our farms.

I think the prevention of human erosion that is going on in the slums is a matter that should concern some of us from agricultural States. Congress has voted many, many millions of dollars for the eradication of the hoof-and-mouth disease and for the prevention of the boll weevil, which affects the cotton of Oklahoma, yet there is disease and suffering going on in the slums of the big cities.

I think the Congress must recognize this as a national problem, the same as it recognizes other destructive elements and conditions. Time has proven the inability of private developers or the cities alone to cope with it or to solve it.

We must try to do something to eliminate the blight that has affected so many lives in the big cities. The economic waste of the slums runs into hundreds of millions of dollars each year in crime, disease, and their destructive effect on the lives of those who because of low incomes must be forced to live in them.

I am for this bill not because I like to provide subsidies for low-rent housing but because, in more than 11 years in this Congress, I have hoped for some program that might come out of all of the thinking of the people that have studied this problem, so that we could find through private enterprise some way to get decent, livable, sanitary housing for the millions that must live in these big city slums. We have not found it.

Each time we have had a slum-clearance bill come up we have had a lot of ideas, but the minute you defeat public housing these ideas seem to disappear and fade away.

I have worked on many plans. I am a good deal like the distinguished ranking minority member of the committee. I have changed my vote. I voted against slum clearance and public housing for many years in this House, but as I have gone by these wretched, disreputable, crime-breeding, disease-ridden sections of our big cities and seen spotted in a place or two a slum-clearance project where light and sunshine can come in and playgrounds are there, so the people can live decently in this housing, I have regretted my vote, and have questioned it many times. As hard, and as destructive as slum life is for adults, its effect on the children is ten times greater. Slums will not produce the type of Americans we need to keep this country great.

I think we are faced not with a theory but with a condition. We want to do



something to try now to help these people whose hopeless living conditions never can be improved unless the Federal Government tries to do something about it.

The amendment offered by the gentleman from Kansas does not do anything to help the bill. If you are against the bill, then do not vote for his amendment; vote against the bill. The gentleman seeks to cut down the figure the President estimates the bill will cost. Under the mathematics the bill will cost a total of \$12,320,000,000 for the full 40 years if the full contribution is required, but there are many variable factors in this.

The principal variable factor is, Over 40 years what will be the wage standards of the people who live in these apartments? That is the thing the money goes for—to try to bring the rental down to meet the need of the lowest income class. If their wages rise, then the cost to the Government is greatly decreased, since higher rents will be charged and the Government contribution greatly reduced.

If you adopt the amendment offered by the gentleman from Kansas, then you are building these public-housing units to house the better income class that can probably well afford to pay for their own housing.

Only by having the authority and the authorization of law to bring the rent down to the class of people you are building for will you be able to make public housing serve the lower income class.

The bill provides that no rentals shall be within 20 percent of comparable private housing, so this safeguards unfair Government competition with private industry. This bill, under the best estimates that can be made by people who have studied it and know the target of rent that we are trying to hit, estimate that it will cost \$238,000,000 a year in total when the whole program is over for perhaps 32 years.

It is estimated that financing can be arranged for—and again you have a variable factor, depending on the cost of interest, and the total length of time that it takes to amortize this, that the total cost will be far under the maximum authorized total—and, in fact, far below the amount the gentleman from Kansas mentions in his amendment.

Mr. Chairman, I ask that this amendment be defeated because, if you are against the bill, then vote against the bill, but do not do anything to defeat the very purpose of making this housing serve the lowest-income people of our cities.

(Mr. ANGELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ANGELL. Mr. Chairman, public housing and slum clearance as provided in H. R. 4009 which we are now considering, is a major problem facing our Nation. There is little disagreement that housing constitutes one of the Nation's most serious economic and social problems today. In fact it has been under consideration not only by the Congress but by many organizations and governmental agencies, national and local, for many years.

The principal provisions of the bill are:

First. The Federal Government would contribute up to \$400,000,000 annually for 40 years to permit the construction, through local housing authorities, of 1,050,000 publicly owned dwelling units. House leaders already have agreed to cut this back to 810,000 in conformity with the Senate-passed bill which would reduce the annual payments to \$308,000,000. Tenants in publicly owned housing would pay rents in accord with their incomes. Federal contributions would be used to meet the difference between rental income and the amount necessary to pay off the cost of building and operation.

Second. A 5-year slum-clearance program with one-third of the cost to be met by the Federal Government, the balance by local communities. The bill authorizes \$1,000,000,000 in Federal loans and \$500,000,000 in grants for this purpose.

Third. A \$262,500,000 farm-housing program would provide housing loans for farmers who could not get credit elsewhere, and grants are provided in some cases for housing on farms that are not self-sustaining.

It should be kept in mind that all public housing constructed under the provisions of this bill will be owned and controlled by local agencies by whom they are constructed, through the services of local builders, and the Federal Government will have no title to them or control over them.

The committee reports that although the seriousness of the Nation's housing situation has been highlighted since the end of the war by urgent housing problems of returning veterans, the basic problem itself is not a new one. It has been building up over several decades. It results from the fact that over the years we have never been able to produce enough housing at prices which a large proportion of the American people can afford. Consequently, housing has never been replaced as rapidly as it should, and many families have been obliged to live in wholly inadequate and unsuitable accommodations.

Unfortunately, the effects of poor housing leave their heaviest imprint upon the millions of children who are being obliged to spend their formative years either in dreary, unhealthful slums, or in overcrowded dwellings in which normal family life cannot be achieved. The maintenance of our way of life and our aspirations as a people and a democracy depend to a large extent upon these children whose attitudes and minds are being formed for the future in the homes of today.

In attempting to get some measure of the magnitude of our present and prospective housing requirements the committee had available to it the comprehensive studies and investigation of the Joint Committee on Housing. This data and other material made available to the committee leads to the conclusion that the Nation must be prepared to build or rehabilitate at least 1,300,000 nonfarm dwelling units and between 200,000 and 300,000 farm units a year each year from

now until 1960, if substantial progress is to be made in bettering our housing conditions. As the Administrator of the Housing and Home Finance Agency stated in his testimony before the committee:

We cannot ignore the fact that there remains today, and will undoubtedly remain for years to come, a considerable percentage of our families whose incomes are so low that they must continue to live in slums or other inadequate housing unless we take action to prevent it. The breadwinners of most of these families are usually gainfully employed, and with proper budgeting their incomes are usually sufficient to supply all the basic needs of their families except adequate shelter. Adequate shelter is not available to these families because rents or prices charged for such shelter would represent an unduly and prohibitively high proportion of their limited income. The problem, both in its extent and nature, is not the sort which can be solved in the foreseeable future by private enterprise even with further possible financial aids.

While it is a local problem in my congressional district as in many congressional districts throughout the Nation, it is also a grave national problem. In its consideration, I, like you, must keep in mind not only the needs and welfare of my own particular district, but the overall long-range problem for the Nation in making possible that low-income citizens may have the opportunity to secure adequate housing for rental or purchase within the means available to them.

Considering the problem from the local level of the Third Congressional District of Oregon, which I represent, I may say that my district is composed of one single county, Multnomah, within which lies the city of Portland. It is the only large metropolitan city in the State of Oregon, comprising approximately a third of the population of the State, with the population within the Portland corporate limits and surrounding environs totaling between 400,000 and 500,000 people. It is the one district in Oregon where the housing problem has been of major importance throughout the war period and in postwar days. By reason of shipbuilding and other war activities, large numbers of war workers centered in the Portland area and many of them have remained with us. The State of Oregon has had the largest percentage increase in population since the war of any State in the Union, practically 50 percent, a major portion of which is in the Portland area. One housing district alone, Vanport, on the edge of Portland in my district, housed between 30,000 and 40,000 people during the war period and it was completely destroyed by the disastrous Columbia River flood of 1948, where some 19,000 persons were flooded from their homes, which were completely destroyed and have not been replaced. Portland is a city of home builders and home owners and we are proud of the record we have achieved in that respect down through the years. Our building contractors have done an excellent job and many thousands of homes have been constructed since the war and the shortage of the better type homes has been overcome and I am advised there are many first-class apartments in these new buildings not subject to rent control



available. These rent from \$85 to \$125 per month, and up, according to the number of rooms and facilities furnished. However, there is still a shortage in the low-cost, low-rent units which are covered by the provision of this bill.

Mr. Chairman, the mayor of Portland, the Honorable Dorothy McCullough Lee, recommends passage of H. R. 4009. I may say in passing, Mayor Lee was recently elected by an overwhelming majority of the voters of Portland. She is an outstanding citizen, has served the State long and faithfully, both in the State legislature and the City Council of Portland, before she was elevated to the office of mayor. She was recently given the achievement award of the Women's National Press Club for outstanding achievement in government. The award was presented by President Truman here in Washington on May 14. Mayor Lee is a member of my political faith, a Republican, to which I call attention for the reason that this legislation is non-political in every respect. I do not overlook the fact that the Republican platform adopted in 1948, on which I ran for office and was elected by a substantial majority of the voters of my district, contained an endorsement of low-rental housing and slum clearance in the following language:

Housing can best be supplied and financed by private industry, but the Government can and should encourage the building of better homes at less cost. We recommend Federal aid to the States for local slum-clearance and low-rental housing programs only where there is a need that cannot be met either by private industry or by the States and localities.

This bill follows out this plank of the Republican platform and I feel that I am duty bound to give it full consideration and to enact legislation in the Eighty-first Congress to carry out our pledge.

Mayor Lee, in giving her support to this bill, said:

In recommending early passage of the Housing Act of 1949, H. R. 4009, we have in mind the extended hearing, exhaustive investigation, and full debate in and out of Congress which have been devoted to the basic principles and provisions of this measure during the past 4 years. We are fully aware, too, of the bipartisan support which has characterized the proposed general housing bill, presented since 1945. The need for declaration of a national housing policy and objective, with means for attaining them, is one of the major problems before the Eighty-first Congress. Limited improvements made through passage of the Housing Act of 1948 did nothing to provide aid in the principal problem areas of housing—low-rent public housing, slum clearance, and redevelopment of blighted areas, housing research, and farm housing.

H. R. 4009 constitutes the first step toward meeting these pressing needs and points the way toward fulfillments of one of the basic tenets of democratic government—that it should do for the people those things which they cannot do for themselves.

The housing needs of Oregon and Portland differ only in degree from those in other parts of the Nation. In August 1947, when Oregon's population increase stood at 33.3 percent over 1940, the immediate housing need was estimated at 108,996 new dwelling units, merely to obtain the same ratio of

dwellings to families that existed in 1940. The Columbia River flood in May and June 1948 wiped out 6,353 dwelling units, 5,304 being temporary Federal units in Vanport (19,500 people in that one project alone, as of the time of the flood), occupancy of which was 55 percent veterans.

Prior to the war only about 2,000 dwelling units were constructed in any 1 year in Portland. In 1948, permits were issued for 3,075 dwelling units. Private industry has tended to limit its building activities to the higher price levels, where adequate profit can be made. It has not been able to operate profitably in the lower- and middle-income field, where the greater part of the need exists. It is our conviction that this greater need can be met only through further governmental aids, as proposed in H. R. 4009.

The city of Portland is now arranging for a survey of the housing problem in the city and outlying adjacent housing areas at a cost of some \$50,000, shared equally by the city and the State of Oregon.

The Portland Housing and Planning Association on June 22 advised me by telegraph that that organization with more than 30 years work in the field of housing, approved this legislation and urged support of H. R. 4009 as an essential step toward improving the local intolerable housing situation in Portland.

However, the Portland Chamber of Commerce, through its legislative committee and Board of Directors, considered H. R. 4009 and disapproved the measure, saying:

The legislative committee of this chamber, and today the board, have considered H. R. 4009, the Federal housing bill.

We wanted to pass on to you the opinion that H. R. 4009 would place the Federal Government too deeply in competition with private enterprise in the housing field. There were discussed instances of high cost private home construction and parallel and related instances of very excessive cost of Government construction of housing projects which are well known to you and have been the subject of discussion before Congress in past years.

The bill is regarded here as one which extends the principles of socialism deeply into our present economic government set-up. It is argued here that private industry has been making very substantial strides in meeting the housing needs and it can and will continue to do so unless forced into inactivity by a Federal housing bill pitting Federal funds against those of private builders.

Our board wishes you to have these views as a matter of information and as an expression from one organization which arrives at its conclusion in opposition to H. R. 4009 only after extended consideration of the contents of the bill.

Real estate and building organizations, as well as apartment house owner groups, also disapprove the measure, feeling that it is a socialistic program bringing the Federal Government into competition with private industry and preventing private enterprise from meeting and solving the housing problem.

I share the concern of all of my fellow citizens, not only in Oregon but in the Nation at large, who deplore any trend toward socialism or statism in our national government. My paternal forebears came to this country in the 1600's with Roger Williams and my father migrated to Oregon by ox team almost a

hundred years ago and our roots are deeply planted in the wholesome doctrine of individual initiative and the American way of life.

However, I am not unmindful of the fact that if it had not been for Federal aid to the transcontinental railroad lines connecting the west coast with the east coast in the pioneer days of our country, the far West would have been held back in its development for many years. Likewise the heavy expenditures of Federal funds for the development of the Columbia River and other waterways of the West, the reclamation of the immense arid areas, and the development of hydroelectric power might well be classed as socialistic tendencies. We may recall that we have been spending approximately \$1,500,000,000 a year in subsidies and other aid to agriculture. My party has for years supported a high protective tariff which taxes the many for the aid of a few. Many other activities of the Government which require Federal grants, aid, or control for their success might be classed as socialistic along with this plan to give some aid and relief to a very large segment of our population in the low-income groups, many of whom are veterans of the last World War. State-supported schools are socialistic, but necessary. Certainly the aid given by the Federal Government to our low-income groups under this bill is not as socialistic as our public schools, public roads, and river navigation development where the beneficiaries make no contribution to the Federal Government to help meet the costs. This bill as it will be amended as proposed by the committee was passed by the Senate by a vote of 57 to 13. Such outstanding Republicans as Senators TAFT, VANDENBERG, WILEY, DONNELL, BREWSTER, MCCARTHY, CAPEHART, SALTONSTALL, LODGE, MALONE, MARTIN, and Mrs. SMITH voted for the measure. In fact, public housing legislation has passed the Senate three times. I cannot believe that the charge of socialism can be successfully maintained in the face of such a voting record in the Senate. I feel that this argument is not insurmountable in the consideration of this legislation. In fact, the safeguards and restrictions set forth in the bill will, in my judgment, successfully prevent embarking on a socialistic program by the enactment of the legislation.

The following major national organizations are supporting H. R. 4009:

American Association of Social Workers.

American Association of University Women.

American Council on Education.

American Council on Human Rights.

American Federation of Labor.

American Home Economics Association.

American Legion.

American Municipal Association.

AMVETS.

American Veterans Committee.

Congress of Industrial Organizations.

Council for Social Action of the Congregational Christian Churches of United States of America.

Council for Christian Social Progress, Northern Baptist Convention.



Department of Christian Social Relations, Women's Division, Methodist Church.

Department of Christian Social Relations, United Council of Church Women. Division of Social Education and Action of the Presbyterian Church.

Family Service Association of America. Federal Council of the Churches of Christ in America.

Jewish War Veterans.

League of Women Voters.

National Association for the Advancement of Colored People.

National Association of Consumers.

National Association of Housing Officials.

National Association of Jewish Center Workers.

National Association of Rural Housing.

National Conference of Catholic Charities.

National Council of Catholic Women.

National Council of Housing Association.

National Council of Jewish Women.

National Council of Negro Women.

National Farmers Union.

National Federation of Settlements.

National Institute of Municipal Law Officers.

National Lutheran Council.

National Housing Conference—formerly National Public Housing Conference.

National Women's Trade Union League.

National Association of Parents and Teachers.

United States Conference of Mayors.

Veterans of Foreign Wars.

National Urban League.

National Board of the Young Women's Christian Association.

Considering the merits of H. R. 4009 the declaration of the national housing policy and the objectives of the legislation are set forth in the bill. The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective shall be, first, private enterprise shall be encouraged to serve as large a part of the total need as it can—I call special attention to this provision; second, governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total; third, appropriate local public bodies shall be encouraged and assisted to undertake positive programs of

encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; fourth, governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; fifth, governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill.

Much criticism of the bill has been made on the question of over-all cost. I am discussing this feature of the bill on the theory that the amendments which the Chairman advised the committee would propose will be adopted, in which event the cost will be materially reduced and the number of units decreased from 1,050,000 to 810,000.

Under H. R. 4009, loan funds of \$1,950,000,000 are authorized for the various programs. These loans are fully repayable, together with interest at the cost of the money to the Federal Government. They, therefore, in no sense represent costs to the taxpayer, an the inclusion of them in estimates of cost by opponents of the program is manifestly misleading. The actual cost of the program to the taxpayer is represented by capital grants made in lump sums and annual contributions payable over a period of years.

Capital grants: Under title I, grants for slum clearance amount over a 5-year period to \$500,000,000. Under title IV grants for farm housing over a 4-year period amount to \$12,500,000. A total of all grants amounts to \$512,500,000.

Annual contributions: Under title II annual contributions for low-rent housing would reach a total maximum of \$308,000,000 at the end of 5 years. These annual contributions may be paid over a 40-year period. Under title IV, annual contributions for farm housing would reach a total maximum of \$5,000,000 at the end of 4 years. These annual contributions may be paid over a 10-year period.

Annual contributions serve to make up the difference between the gross rent that low-income families can afford to pay and the cost of operating public-housing projects, including interest and amortization. The amount required to meet annual contributions is, therefore, subject to many variants. Economies

in operation and increases in family incomes are reflected in lower annual contributions. The annual costs to be met by the Federal Government will not be onerous.

The Director of the Budget recently advised the chairman of the House Committee on Rules that on the basis of expected interest rates the contributions would run for 29 to 33 years. He pointed out also that under the present low-rent-housing program in recent years only 25 to 30 percent of the maximum amount contracted for has been required. This is unusually low, due to war and postwar increases in incomes and rent-paying ability of tenants. In an average year under the new program contributions actually paid will probably not exceed 75 to 80 percent of the \$308,000,000 authorized annually.

It must be kept in mind that the benefits of this bill in the public-housing portion go to the low-income groups exclusively, many of whom are veterans. The committee hearings disclose that the average public-housing family is not only in the lowest third-income bracket but in the bottom third of that lowest third. The average income of all these families is about \$35 a week. Every dollar spent for public housing goes directly into private industry, for labor, brick, cement, steel, lumber, plumbing, electrical goods, glass, paint, and the contractors' profits, will flow into private industry. Hundreds of thousands of private-industry jobs will be saved at a time when unemployment is approaching the danger point. The majority of World War II veterans cannot afford to buy or rent decent homes. The American Legion is supporting this bill. About 2,000,000 veterans' families are now living doubled up. The public-housing program gives preference to these veterans subject only to the priority given low-income families whose homes are being torn down in a community's slum-clearance program.

Every public-housing project is built by responsible private builders who competitively bid for each contract assuring the lowest cost. Built for long life, free of exorbitant maintenance, and operating costs, and providing a decent standard of living, public-housing construction costs are, naturally, higher than the cost of jerry-built speculative dwellings. The new law requires that a no-man's land of at least 20 percent be established between the highest rents charged in a public-housing development and the lowest rents being charged in the community for decent housing available through private enterprise. The committee reports that of the nearly 1,000,000 dwellings built last year, not a single one was sold or rented at a price within the means of the American families who will live in public housing. Heretofore the public-housing program was opposed on the ground that the shortage of building materials and building labor was so critical that even private-housing construction was in difficulties. Today private-housing construction is off as much as 50 percent in many areas. All building materials are now in plentiful supply, and there is plenty of construc-



tion labor available. In fact we have a serious unemployment problem which is growing worse day by day.

Public housing works on a three-way pay plan: the tenant pays as much as he can, the city pays a reasonable share, and the Federal Government contributes the difference. Public housing pays to the city up to 10 percent of its tenant rentals for municipal services rendered, policing, fire protection, utilities service.

I repeat, it should also be kept in mind that this program will be administered entirely by local officials and will be under local control and that if any State does not care to avail itself of the program it is free to reject it. The governors of the States are the elected guardians of States' rights. The only way a public housing program can even be started anywhere in the United States is with each State's legislative permission. If the State's government does not want public housing, there is no Federal public housing program in that State. Forty-two States have adopted laws providing for Federal aid to public housing within their boundaries. There are 265 cities in 39 States already operating public-housing projects made possible by the United States Housing Act of 1937. More than 70 percent of these projects are located in cities of under 50,000 population; 100 projects are in cities of less than 25,000 population. In more than 600 communities scattered over some 42 States, local authorities have set up programs for slum clearance and public housing and are now awaiting the starting signal from the Congress. Actual experience proves that public housing is helping American cities, big and small, across the entire Nation.

It has been contended that only 10 of our major cities will be benefited by this program. However, 42 States will have the opportunity at once to avail themselves of the program as they have passed enabling legislation therefor. Hundreds of cities throughout the United States in the smaller categories have availed themselves or are planning to avail themselves of public-housing programs. Furthermore, the 10 cities referred to where the largest cities in our Nation are situated contribute 65.57 percent of the total taxes collected by the United States and should be given some consideration in providing housing for their distressed low-income groups. Mayor Bowron, of Los Angeles, has stated that a recent sampling of 16,000 veterans' applications on file with the local housing authority showed that 59.4 percent of the veterans had annual incomes of less than \$1,900. It is patent that their present incomes will not allow them to either buy or rent acceptable standard housing from private landlords or realtors. Unless the building industry is suddenly revolutionized by use of non-conventional materials, or in some other fashion as yet unthought of, this situation will continue to exist until private enterprise is able to reach all levels of home seekers.

Mr. Chairman, one of the most salutary provisions of the bill is that for slum clearance. Even the opponents of the bill attest that there exists throughout the Nation slum areas that are a

disgrace to this great Republic and which are contributing heavily to child delinquency, crime, and spreading of disease. Frightful conditions exist here in the Nation's Capital within almost a stone's throw of the Capitol Building itself. In the slum areas here in Washington and elsewhere often several families live in a single apartment sharing the same kitchen and a common bathroom. Millions of Americans must now live in America's disgraceful slums, frequently an entire neighborhood using a common out-door toilet and common water supply. This is good breeding ground for communism.

As pointed out by the committee, the public housing program in the various localities is directly administered by local housing authorities which develop, own, and operate the low-rent projects. Local authorities are created pursuant to State law, and their members are usually appointed by the mayors of the respective localities. The basic responsibility for the provision of low-rent housing is thus reserved to the various localities. The role of the Federal Government is appropriately restricted to the provision of financial assistance to the local authorities, the furnishing of technical aid and advice, and assuring compliance with statutory requirements.

Two types of Federal financial assistance are provided under the United States Housing Act—loans and annual contributions. Loans may be made to assist local authorities in the capital financing of their projects, but under the proposed financing provisions of this bill it is expected that local authorities will be able to meet the great bulk of their capital requirements by the sale of bonds to private investors. The Federal loaning power will be used primarily in connection with the temporary financing of projects during the construction period.

The annual contributions paid by the Federal Government, together with the contributions made by local governments, serve to make up the difference between the rents which families of low income can afford to pay and the annual operating costs and debt service of the projects. The Federal contributions are limited to maximum amounts fixed in relation to the costs of the projects, but the amounts paid each year are restricted to the amounts actually needed in such year. On the basis of past experience, it is expected that, over a period of years, not more than two-thirds or three-quarters of the maximum amount will be required.

Another housing provision of the bill is for rural nonfarm areas. The housing needs of low-income families who live in rural nonfarm areas are as serious as those of low-income families in urban areas. Two provisions have, therefore, been written into the bill with specific reference to this problem. First, the committee has provided for a specific 3-year reservation of 10 percent of the authorizations for annual contributions contracts for rural nonfarm housing. Under this proviso, the committee expects the Public Housing Administration to undertake a program of assistance to local housing authorities in the provision

of low-rent housing in rural nonfarm areas. Second, the bill provides for the transfer of farm-labor camps administered by the Secretary of Agriculture to the Public Housing Administration for use as low-rent housing, and authorizes the reservation of all or a part of the accommodations in such camps, for migratory agricultural workers and their families. The bill requires that the rents for such accommodations as are reserved for migrating agricultural workers shall be amounts which they can afford to pay, and permits funds of the agency to be used to make up any deficits, and authorizes appropriations to reimburse agency funds for expenditures for such purposes.

It should not be overlooked also that there is a research program set up in the bill which is of much merit. As pointed out by the committee, research, which has made our Nation's competence in scientific development and industrial skills a subject of world-wide respect, should be more fully used on a larger scale to obtain more and better housing for all American families. In the judgment of the committee, this will require the authorization of a comprehensive Federal research program to the end that the already extensive facilities of our educational institutions, industry, foundations, private laboratories, and of Government may be better coordinated and focused on the achievement of the housing objectives stated elsewhere in this bill. It is this kind of a Federal research program that is contemplated by the committee in title III of the bill.

The need for such a program has been emphasized repeatedly over the long period during which this legislation has been under consideration and was a major recommendation of the Joint Committee on Housing. It has been supported during the hearings by witnesses broadly representative of the American people. Among these witnesses were several industry spokesmen who recognized the value of Government research to supplement the results of industry's own activities.

Perhaps the most persuasive argument for the type of research program authorized by the bill is the simple fact that all who have an interest in and responsibility for housing, need and will benefit from the results of such research. The homebuilder who faces the task of constructing more and better homes at lower prices to maintain his market will make better headway if he is in a position to apply the results of research into basic cost factors. Labor employed in home construction will be helped toward the goal of more stable employment at good wages. Better information resulting from research will help the lending institutions in the wise selection of investments for trustee funds, and it will help the producers and distributors of building materials and equipment who have been severely handicapped by the traditional boom-and-bust behavior of construction activity in the past. Governments, local, State, and Federal, need more sound factual information on which to evaluate the actions they should take



in carrying out their respective responsibilities in housing.

The bill also covers farm housing. There are many farm homes that are in disrepair, without modern conveniences and owned or occupied by low-income families who are without means or the ability to provide decent homes for their families. Our information is that in 1947, 19 percent of our farm housing was in need of major repairs as compared with 8 percent of nonfarm housing. Only 1 out of 5 farm dwelling units had both private bath and flush toilets compared to 73 percent of nonfarm housing. Two-thirds of the farm dwellings lacked running water. Only 3 out of 5 had electric lights. Certainly an improvement of farm housing standards as reported by the committee is essential to a sound and secure rural economy and to attract to the land persons of the type of character and health to make the farm program successful. This provision of the bill certainly is meritorious.

Time does not permit a full discussion of the provisions contained in titles I and II in connection with slum clearance and low-rent housing under which agencies may borrow moneys from private investors on short-term notes. There are other provisions with reference to financing of low-cost housing which are meritorious and worthy of our support.

I realize this humanitarian program to provide shelter for low-income groups will cost a substantial sum of money. However it is an essential program for the welfare of our own citizens. I subscribe to the view we should balance the Federal budget and live within our income. By cutting out waste and useless expenditures in governmental operations we can easily save many times the cost of this program.

Mr. Chairman, in view of the reasons that I have here set forth and others that time does not permit me to recount, it is my purpose to vote for the passage of H. R. 4009 as amended in accordance with the announcement of the committee chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I hope the committee will approve the amendment proposed by the chairman of the legislative committee in charge and I hope that the Committee of the Whole will not approve the proposed amendment to materially reduce the number of low-rent public-housing units and for this reason:

I think the amendment is offered in order to implement the arguments which have been made by those against the bill and to demonstrate as best they can the validity of their opposition. But what the House is interested in right now is whether Members are for or against the bill.

I would like to take this time, however, to answer one very important argument and that is that 810,000 housing units will not provide all the low-cost housing units needed in the United States, therefore we should pass no bill. Certainly we should pass this bill; for if we just extended that argument, we should be

building 16,000,000 homes for everybody in the country who will need a new home in the next 10 years. In my town of New York there are 400,000 housing units which were built were 1900. Many of them are in good shape and people can live in them for a while yet. What we are trying to do here is to take care of the marginal difference between inadequate building and adequate building. Building which will approach in magnitude our need is considered to be about a million and a half units a year. Private enterprise is supplying about 900,000 new units annually. We are trying here to get a balanced program to take care of that marginal difference.

Insofar as low-rent housing is concerned, the chairman of the legislative committee has adopted the figures contained in the bill of the 10 Republicans and has adopted the figure in the bill which was passed by the other body. That is a balanced and reasonable approach to this problem, very tidily within our means and I believe that those who support the bill must support at the very least that figure of 810,000 low-rent public-housing units.

(Mr. LARCADE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LARCADE. Mr. Chairman, I am not opposed to giving every assistance possible and reasonable to our great cities in the United States, and I know that slum clearance is one of the problems of the larger cities in the country, and I am in full accord with authorizing a program and appropriations for such undertakings, as well as such other reasonable programs which are necessary for the welfare and progress of our cities and every other portion of our great country; however, while it is true that the legislation under consideration does make provisions for slum clearance in our cities, there are so many other provisions which are a part of this bill, and which I cannot in justice to my conscience support it is my intention to vote against the bill under consideration.

Mr. Chairman, my office has been flooded with literature and communications protesting the enactment of this bill, and one editorial from the Houston Chronicle of date June 15, 1949, reflects in a large measure the summation of the opposition from many of my constituents in my district, and from this editorial I would like to quote and read the following:

Public housing is not the answer to any public problem in this country. It started as a means of priming the pump of national economy in the early 1930's. When that played out as an excuse, it became a great crusade to rid the cities of slums.

Even the staunchest supporters of public housing do not claim that the slums have been eliminated in any place where slum-clearance projects have been established.

The temporary housing shortage, due to the lag in construction of housing during the war and inflated costs of building since the war, have given a false idea of the desirability of public housing. For several years veterans housing, scarce housing, and high-priced housing have been confused in the public mind with Government plans for slum-clearance housing.

The impression has become widespread that Americans, particularly in cities, are the worst-housed people on earth. That is the rankest kind of nonsense. We are the best housed of all living peoples. And only a minute part of our population lives in public housing.

There certainly are slums in our cities. Right here in Houston are hundreds of families living in virtual sties, a disgraceful and menacing civic disease that has not been helped by the slum-clearance treatment.

Within the last dozen years the Federal Government has built San Felipe courts and Irvin courts for whites and Cuney Homes and Kelly courts for Negroes. In the four projects are facilities for 1,318 white and 897 Negro families.

The Government built these housing projects; it owns, operates and manages them. It pays no real-estate taxes. It charges less rent than needed to pay building and operating costs. The loss comes out of the pocket of the taxpayer through Federal income taxes and higher real-estate taxes.

Since the public housing projects are tax exempt, the rest of Houston's taxpayers must pay the high cost of schools, fire and police protection, and other municipal services not only for themselves but for the favored housing tenants as well. Don't forget, the taxpayers paid for these housing units and continue to pay part of the rent of the tenants.

The worst of it is that they have not helped the neediest families. Public housing officials testified openly at recent hearings before Congress that they do not intend to make more than a small fraction of their units available to welfare families and those on relief. Public housing, they said, is for families with steady incomes.

Families with steady incomes are not likely to be found living in what is commonly accepted as slums unless they prefer to live there. The housing projects have filled up with middle-income families as well able to pay for their shelter as the average taxpayer who is being forced to help support these Government favorites.

In the 15 years or more that the Federal Government has been engaged in building and operating public housing, it has not constructed as many units as private enterprise is building this year of 1949. Then how can it be seriously considered as an answer to the housing needs?

Experience has shown that it takes the Government at least 2 or 3 years before any newly authorized housing would be available for occupancy. There must be surveys and conferences and every little decision has to be approved by city, county, State and Federal bureaus.

A public-housing program siphons labor and material from one type of housing to another. It causes materials to be held in warehouses instead of turning them loose on the market where private industry would use them to quickly build houses.

Whether or not public housing actually primed the pump of national economy in the 1930's is beside the point of the present discussion. It has not cleared slums. It has not helped the housing situation but has hindered the construction of shelter by private industry.

It serves no useful purpose perceptible to anyone except possibly someone who believes in the Government ownership and control of homes, and the few favored occupants of the housing projects.

Mr. Chairman, I have also taken the time to read all of the editorials from other papers from other portions of the country, as well as discussions by columnists and commentators and I think that one of the best articles I have read which gives, in my opinion, the opinion



of a large majority of the citizens of our country, is contained in an article published in the Washington Star written by Gould Lincoln, and I would like to quote and read part of this article which pertains to public housing and other programs under consideration:

An ominous ground swell among the common, everyday run of Americans against continued heavy spending by the Federal Government, particularly for new paternalistic and socialistic projects, appears to be rolling up. If it is so, it may still be in time to do some good before Congress closes. And should the administration's lack of interest in economy—evidenced by its continued proposal of new and costly programs—meet such a ground swell head on, there may be something new in the political field. The campaign for the Senate and the House is coming up.

Notwithstanding the millions of people who are drawing money from the Federal Treasury, either directly or through subsidies of one kind or another, there are still more millions who are not. And the whole mass of the people are feeling the increasing pinch of Federal taxes and the ever-growing State and local taxes.

#### STRAW IN THE WIND

A straw in the wind is an unusual kind of poll, conducted by the Detroit News in the heart of a great industrial center, where the CIO claims tremendous strength. The newspaper published on two successive days ballots containing questionnaires on a proposal to cut Federal appropriations for the next fiscal year by 10 percent, and on Federal aid to education, public housing, the Brannan farm plan, the appropriations for aid to western Europe to rearm, the ECA appropriations, and the President's national health insurance program (socialized medicine to many).

Instead of urging the people of Detroit to send their answers to the Detroit News, the newspaper asked them to cut out the ballots and to send them to Michigan's two United States Senators, and to the Members of the House from the Detroit area. The results, as tabulated by these Members of Congress, were remarkable. The opposition to spending was overwhelming—and to the new projects also. Only in the matter of continued ECA aid and of aid in arming the North Atlantic Pact countries was there anything like a close division—and that was not too close.

The vote, in the poll, stood about 6 to 1 against Federal housing, 3 to 1 against Federal aid to education, 12 to 1 against national health insurance, and 16 to 1 against the Brannan farm bill. The poll stood 5,293 to 3,982 against spending to arm the western European nations, and 5,553 to 3,832 against large ECA appropriations. The Federal housing bill was defeated in the poll by 8,265 to 1,265; the Federal aid to education measure, 6,959 to 2,293; the Brannan farm bill, 8,870 to 528. On the other hand, the proposal to cut appropriations by 10 percent was voted up by 8,941 to 559, and the Hoover Commission plan to reorganize the executive branch of the Government was supported 9,251 to 245.

#### LETTERS ARE CRITICAL

Members of the Michigan delegation who received the ballots say they appeared to come from the ordinary run-of-the-mine citizens. One of the Senators received 200 letters along with the ballots and they, too, were mostly critical of the spending programs—half of them coming from persons of small means and half from business people.

Mr. Chairman, I think that the gentleman from Massachusetts [Mr. MARTIN], hit the nail on the head when he

made a statement in regard to H. R. 4009 when he said:

To help a few people we cannot imperil the Nation—

And that \$19,000,000,000 cost of the bill—

is a heavy obligation to assume in the face of a possible financial collapse. Less than 6 percent of our people would be in the class available to benefit by the legislation, and less than 7 percent of those available could be selected. \* \* \* In other words, out of every 1,000 people you know, only 4 could qualify. \* \* \* The other 996 persons will get nothing but increased tax bills.

Mr. Chairman, it is my further opinion that there are ample laws on our statute books which can be taken advantage of by our people in providing public housing, and if, for any reason there are not sufficient authorizations for that purpose, I am perfectly willing to vote for additional authorizations and appropriations to make the necessary provisions for that purpose to continue these programs in the American way.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I rise in support of the amendment offered by the chairman of the legislative committee in charge of this legislation.

What, in actual essence, it does is to cut the program from 7 years, or 1,050,000 units, to a 6-year program, or 135,000 units per year, with an escalator clause, of course, which permits a minimum of 50,000 in any one year up to a maximum of 200,000. Then we get down into the figures here as to the real crux of the issue, as far as the total cost is concerned, and the total contributions and just wherein facts are facts, and wherein half-truths and fallacies are half-truths and fallacies. It has been stated here time and time again every effort to actually distort the real facts.

I believe we have a very good basis of performance under the existing program at present, under Public Laws 412 and 671. I should like to list a table showing our present experience under the United States Housing Act of 1937:

*Locally owned low-cost housing under United States Housing Act (Public Laws 412 and 671) as of Dec. 12, 1948*

1. Maximum annual contributions under contract.....	\$24,649,455
Less deferred units (still under contract).....	2,778,171
Balance, active units.....	21,871,284
Fiscal 1950 appropriation for annual contribution.....	\$5,000,000
Percent of 1950 appropriation of maximum for active units.....	22.8
2. Development costs.....	\$782,851,589
Less deferred units (still under contract).....	85,760,434
Balance, active units.....	697,091,155
3. Number of units.....	173,195
Less deferred units (still under contract).....	20,906
Balance, active units.....	152,289
1 (a) Maximum annual contribution under contract per unit.....	\$142

Deferred units (still under contract).....	133
Active units.....	143.50
2 (a) Development costs per unit.....	\$4,520
Deferred units (still under contract).....	4.100
Active units.....	4.575

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

(Mr. BUCHANAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, after judicially hearing the testimony that was presented to the Committee on Banking and Currency of the House, all Members who voted to report this bill favorably voted for the figure of 1,050,000 units to be constructed over a period of 7 years. The need for that was very clearly established. There were figures from the Census Bureau, which have never been contradicted. More than 15,000,000 non-farm-housing units will need to be constructed by the year 1960 or this country is going to be in a dire predicament for dwelling houses and this bill meets a small portion of that need.

The main campaign against this bill as reported by the Banking and Currency Committee, has been based on exaggerated statements. Gentlemen have continued, in defiance of presentation of facts and in defiance of opportunity to ascertain personally and individually for themselves what the annual rent subsidies are likely to be, to repeat and reiterate exaggerated statements. These annual rent subsidies can go up or down. They can go up when the current income of residents is down. They will go down when the incomes of occupants of these dwelling are up. In some years there will be no subsidies at all, because they can carry their own way from the income of tenants. To contend that at all times and in all places during the life of this bill the maximum will prevail, is revolting to any man's intelligence. That is the contention which has been made in opposition to the bill, and, partially yielding to that contention, an amendment has been offered to strike 240,000 needed dwelling units from this program. I contend the amendment to the amendment should be defeated, and the amendment should also be defeated, and the bill as reported from the Committee on Banking and Currency, based on the testimony which that committee judicially considered, should be sustained.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. COLE] to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 54, noes 90.

So the amendment to the amendment was rejected.



The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was agreed to.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

The amendment offered by Mr. REES: On page 24, strike out all of the remainder of page 24 down to and including line 15 on page 51.

Mr. REES. Mr. Chairman, my amendment strikes out title II of the original bill. It is the title that prescribes for so-called low-rent housing. Most of the discussion during the past several days has been with respect to the need of slum clearance in a number of the large cities of this country. I am in accord with the view of many other Members of this House that slum conditions in many of our areas are a disgrace and a blight upon our country, and so I want it understood that I am in favor of the provisions of this bill that afford an opportunity to the cities and communities to clear up the slums with Federal assistance.

Mr. Chairman, I call your attention to the fact that only 10 percent of the money expended under this bill will go for slum clearance. The remainder will go for so-called low-rent housing. In other words, the committee brings a bill to the floor of the House insisting that the greatest need of all in this country is slum clearance, and then submits legislation to spend somewhere between sixteen and twenty billion dollars, and only 10 percent of it to take care of the slums of America.

Mr. Chairman, here is a chance to be realistic. If you really mean what you say, then use the funds provided in title I of this bill, match it with those of cities and communities who are willing to clean up the undesirable situation that exists in many of our cities.

Here is your opportunity to help the poor people of this country, the people who live in crowded dwellings, the people who do not have a chance to help themselves, to find better places in which to live. Here is your real chance, your opportunity to do something for humanity that is sorely neglected and ought to be done.

Let me say again I am in accord with those who feel that we need more and better homes for the people of this country. It is my view that a much more practical and better way to solve the problem is to continue a liberal constructive program of approving loans for new homes. Let people buy these homes and pay for them over a period of years. Continue the 90-percent loans on moderate-priced dwellings at low interest rates. Give the families of this country the opportunity of paying for their own homes rather than expect them to live in these so-called low-rent dwellings for the remainder of their lives without a chance of buying their own homes.

Mr. Chairman, much has been said with respect to veterans' housing. I am in favor of a liberal program whereby the veterans may be given a chance to buy moderate-priced homes, but let us not put them in Government houses under a

rental program. Give these veterans an opportunity to buy homes of their own on just as liberal terms as may be done, but do not make tenants of them for the rest of their lives.

Mr. Chairman, I call your attention to the fact that if this bill is enacted into law practically all of the funds expended thereunder will go to a few of the metropolitan areas of this Nation, and not much of it will be spent in other parts of these United States. Incidentally you will slow down home building in other areas.

Mr. Chairman, the so-called low-rent housing program takes care of a comparatively few people. Those who qualify are required to have a certain income. Otherwise they are not entitled to live in these homes. According to figures submitted by the committee, not more than 10 percent of the people whose salaries are between \$1,500 and \$2,500 per year will have a chance for these homes. So you will have a situation whereby you are dividing the people of this country into separate classes, one group being subsidized in the payment of their rentals and another group with similar incomes who are paying for their own homes or paying rent to private owners.

Mr. Chairman, let me call your attention to one thing more and that is that this program does not build more homes for more people. We have just so many builders in this country. The same people who will build the Government houses are now building private homes. The same materials that go into these Government built units would otherwise go into units for home owners, or at least prospects for home owners. The money that goes into the Government built houses will be spent in congested areas. The money under private building will go to all parts of the country.

Mr. Chairman, we are in the midst of a huge building program now. Large funds are being provided in the way of loans to assist with this program. We had a record program in 1948. More than one million houses were built. I am informed a million more will be built in 1949. Under this legislation you are going to reduce the present building program and permit the Government to carry on, which will be more expensive and far less satisfactory.

This program is far reaching. It will commit the people of this country to an expenditure of \$20,000,000,000 over the years. As a matter of fact, it is likely to cost even more than \$20,000,000,000 because more and more cities will be asking for Government assistance as the years go by.

Mr. Chairman, after you have embarked on the policy outlined in this bill, no one can predict the end of it. It is not for the best interests of your country and mine. It has been said that the program compares with appropriation of funds for road building and things of that kind. The difference lies in the fact that the roads are built for the general public, for everyone who wants to use them, but low rent housing will be for a selected few. Even at the outset not more than 10 percent will be permitted to use it and it will be for people who must be able to

pay the rents specified by the Government, otherwise they will be evicted. Those who come under title II must be people with steady incomes and sufficient funds to pay these rents, or out they go. Would it not be better to help them become home owners and not renters for the rest of their days?

I would not be misunderstood. I am certainly in favor of better and more comfortable homes in this country, on the farm and in the city, but I do not believe the policy outlined in this legislation will reach that objective. This is not the time to embark on a program of this kind.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. REES asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I wonder if we can agree on time to close debate on this title?

Mr. HALLECK. Mr. Chairman, I would much prefer if the gentleman would not press that at this time. I want to speak on this amendment. It is one of the most important, if not the most important, parts of the controversy. As a matter of fact, I had hoped that the chairman of the Committee on Banking and Currency might indulge me an extra 5 minutes in order to present what I have to say in reference to this measure as it applies to this title and the pending amendment.

Mr. SPENCE. Does the gentleman object to setting time to concluding debate on the title?

Mr. HALLECK. Debate has just opened on this amendment. I would suggest, if it is all right with the gentleman, that we proceed for a little while, then I shall certainly not object.

Mr. SPENCE. How long would the gentleman suggest that we proceed?

Mr. HALLECK. This is probably one of the most important amendments that will be offered. It has to do with the highly controversial part of this measure. I would say that we go on here for 20 or 30 minutes, then arrive at some fair limitation of time.

Mr. SPENCE. In 20 minutes I shall make the motion.

Mr. MARTIN of Massachusetts. I want to assure the gentleman that we are going to cooperate with him to the fullest extent in getting the bill passed tonight. But I do think for the moment it would be better to run along with the debate.

Mr. SPENCE. I accede to the gentleman's suggestion.

Mr. HALLECK. Mr. Chairman, I rise in support of the pending amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, I thank the gentleman from Kentucky [Mr. SPENCE] for his courtesy. I have not spoken on this measure and I do not believe I can say all that I would like to say at this point in 5 minutes. I do



not know whether I can say it in 10, but I shall try.

It has been said the consideration of this bill should be nonpartisan. I believe it has been nonpartisan thus far. It has been recognized that Members have spoken on both sides of this matter as a matter of honest and deep conviction.

I am supporting the pending amendment for many reasons. This amendment would strike out title II, which is the so-called public housing section. It is the section that it is variously estimated would cost somewhere from 10 to 20 billion dollars during the next 30 or 40 years.

I am not going to talk about all the reasons why I think the title should be stricken, but I am going to talk about a few of them which seem to me to be of overwhelming importance.

Mr. Chairman, in view of the economic situation in the country, a situation that every one of us must recognize, in view of the fiscal and budgetary condition of the Federal Government, in view of the insistent demand from people all across the land that we avoid deficit spending and bring about economy in Government spending, this is no time to initiate this far-reaching program by which the taxpayers of the country and future Congresses will be bound for 30 or 40 years. The only way I know to economize is to begin economizing.

I regret to say that too many of us too many times just cannot ever seem to find a place to begin. Certainly this is a bad time to commit the Federal Government to these great recurring annual costs.

Another reason I oppose title II is that it is another dangerous plunge in the direction of our headlong rush to overcentralization of control, authority, responsibility, and taxing and spending in Washington.

Thirdly, I oppose title II because I think I can demonstrate that it points definitely in the direction of the eventual socialization of housing in the United States.

Now, this is not a new problem. We had this very same thing back 10 years ago in 1939. Then, as now, the measure that was before us had passed the other body, but when it came on under the rule, the then overwhelmingly Democratic House of Representatives by a vote of 191 to 169 turned that measure back and refused to even consider it. Why, I went back and read the debate on that rule, and I found there the very same arguments that are being asserted here today against this title, and so correctly asserted. Of course, agitation for this sort of legislation rather subsided after that time. Then we came into the housing shortage that confronted us during and after the war, and it is again being called up.

Now, so far as the housing shortage is concerned, let us not forget the fact that in 1947 and 1948 we built more housing units in this country than had ever been built before, and we are licking the housing shortage now. We are doing that in the traditional American fashion.

Another thing to be understood is that everyone wants better housing and bet-

ter conditions for the people of America. That is the American spirit and it is entirely proper. But, the real question is: How are you going to obtain it?

Let us get back to these things that I talked about originally. Should we undertake this expenditure now? We all know we are in for a big deficit this year, and we are in for a greater deficit next year. The chairman of the committee has stated that the power to tax is the power to destroy. Yes, my colleagues, the power to tax the American people in ever-increasing amounts is the power to destroy the very fundamentals of our system of competitive enterprise and free Government.

I have referred to the economic slump in which we find ourselves. I have referred to the demand of the people across the country for economy. You may have noticed that 60 some Members in the other body have joined in an economy group. It is all right to join an economy group, but as I said before, the time has come to get down to the accomplishment of economy.

Polls have been coming in here on this matter of public housing. The newspapers out in my State have run those polls, and when the people out there saw the price tags attached—and they just started a few days ago—let me tell you what happened. One hundred and fifty-three ballots came into my office against public housing, and seven were for it. Does that not mean anything to you?

I resent the implication that some sinister force has dictated the action of those people I am privileged to represent. They have signed their names. Many of them I know. They are God-fearing, honest American citizens, who are genuinely disturbed about the reckless expenditure of money that we do not have. They have no ax to grind.

Why, one of the worst features of this whole spending business growing up in the country is that too many people would try to make it appear that the money coming out of Washington is free money; that it does not cost anybody anything. That is the most cruel deception that could ever be practiced on the American people. There is no wealth to be taxed except as it is found in one of the 48 States. But as I say, it seems if you get it from Washington, that is all right.

The second reason I object to this is the matter of overcentralization of control and taxing and spending in Washington. I think it is axiomatic that the closer you get the spending of the taxpayers' money to the collection of it, as when it is done locally in the States, then the greater the resistance to waste and extravagance. Is that not a desirable thing? To me it is.

Let me say to you also another thing, you people who still believe that the States ought to be something besides geographical boundaries, who believe in the fundamental concepts of our dual system of government as created in the Constitution: You keep on bringing all these things to Washington and one day the citizen will lose his interest in local self-government and government in his State, and when he loses that interest we

in this country will have lost our capacity for self-government.

The third thing I mentioned was the matter of socialization. I trust you will bear with me when I say that I do not like to characterize in these glowing generalities anybody or anything, but I am entitled to my own convictions about it and my own philosophy and my own view, and this time I happen to think my view is sound.

I remember right after I came to Congress a right important man made a speech in which he said that one day all housing in this country would be furnished at the taxpayers' expense, and all medical attention would be furnished at the taxpayers' expense. Now let me ask those of you who say there is nothing socialistic about this bill, if all housing or substantially all housing were provided at the taxpayers' expense, would not that be socialized housing? No one can deny it, even as it would be socialized medicine if the Government were furnishing all the medical attention to the people of the country.

To my mind, there is a vast difference between an enlightened, civilized society helping people pay their rent or pay anything else when their incomes will not stretch far enough to take care of them, and putting the Government into the business of building houses and being the landlord, and renting the houses to the people at rents less than the properties would bring if they were on the market.

It has been said here, and I think with complete truth and veracity, that this is but the beginning. Once the policy is adopted, what are you going to say when the pressures go on to provide this same sort of housing at the taxpayers' expense, in part, at least, to other millions of people who stand in exactly the same position as do the people who will occupy these first units that are built? And what will you say to others who demand the same treatment by their Government. Where will be the resistance to say no? Where will the end be, the end to which we will finally come when we must say whether this Nation shall continue to be a nation of homeowners, yes, or renters, renting their own properties, where they want them and the kind they want, as against a nation of people who are tenants of the Government of the United States?

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I always like to listen to my distinguished friend from Indiana because he has a lot of fire and a lot of personality, but I have always expressed the hope that someday I would see him exercise that capacity and personality and fire in something constructive, supporting constructive legislation which concerns the welfare of human beings, that considers the human values of our country as well as the dollar value. Human beings are the backbone of our country. I do not believe in destroying anything to bring about improvement. But I do not think the Congress of the United States should subordinate human values to property values or dollar values. I am hopeful some day that my distinguished friend will be found on my side fighting



the cause of human values when circumstances justify and require it.

My friend says that we should not pass this for three reasons. First, on the ground of economy. Last year it was on the ground that it was the socialization of housing, in other words, socialism, that it should not pass.

The plea of economy was not advanced last year. The Republican leadership, and I say this as a matter of history, controlled the situation then, so that they would not permit a bill to be brought up in the last Congress allowing the Members to pass upon the question of public housing, or low-cost or slum-clearance projects. Members on both sides urged that such action be taken. A bill had passed in the other body. Yet we were denied even the right of a motion to recommit. Legislative processes never intended under the rules were resorted to to take away from the minority even its time-honored and traditional right to a motion to recommit. Not even a closed rule was reported out, and under a closed rule they could not take away the right of the minority to make a motion to recommit. A motion to recommit is to enable the minority to establish its record before the people of the country. Resort was had to suspension of the rules. You do not find the Democratic leadership resorting to suspension of the rules on far-reaching legislation. Every bill of a far-reaching effect and of a general nature will be brought up under the general rules of the House, or under a closed rule, if necessary, and if the circumstances justify, preserving the minority right to a motion to recommit.

This year it is the plea of economy. Last year it was socialism. Each and every individual Member was denied the right of offering an amendment and the Democratic Party was denied the time-honored right to make a motion to recommit.

Now, we have another charge that this is another dangerous step toward over-centralization of control in Washington. This bill does nothing of the kind. Nothing can be done unless it starts locally. The Federal Government cannot start anything under this bill unless the local housing authority initiates it, and files their application. The Federal Government cannot go into Boston and establish a housing project, whether it is a slum-clearance project or a public-housing project if the Boston Housing Authority does not want it. They have no authority to do so, and they cannot do it in any other city or town.

It starts locally. Everything starts locally. The bonds are sold to private interests. The work is done by private contractors submitting bids. Naturally, if the Federal Government is putting money into this, after these projects are initiated locally and approved, the Government should have the right of supervision to see that the Federal money is spent in the right way and that there is no corruption or wrong things done.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that the gentleman

from Massachusetts may be permitted to continue for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McCORMACK. So, Mr. Chairman, everything is done locally. The Federal Government's activity amounts to supervision to see that the money of the taxpayers is spent in accordance with the law. If we did not do that, we would be recreant in our duty. Everything is initiated locally. We even lease these projects to local authorities and they pay rental to the Federal Government. After a number of years, when they have paid it off, the local housing authority, the local government, the city of Boston, for example, will own it. We are doing it now in 265 or 268 projects throughout the country. They are paying them off. When it is paid off it is owned locally—not by the Federal Government. The Federal Government is used as a bank to try to bring about social and economic advancement. It is all done locally and administered locally, and ultimately the local city or town, through its proper agency, will own the project, whether it is slum clearance or whether it is public housing.

On the question of socialism, I addressed myself to that the other day. I do not want to get into it again. It is our Government performing its secondary function of government. Many people honestly confuse socialism with the Government responding to its secondary function of government. I will agree that if the Government stepped in and took over a collective community, that would be a step in that direction. But this is just the opposite. This tends toward ownership locally. This is being administered locally. It is all done on the local level. It is consistent with our dual form of government. The whole bill is drafted consistent with the theory of State rights, and the Federal Government coming in in its proper place, to try to help the city, State, or local government in its problem.

What about subsidies to the farmers? If a subsidy to meet the social and economic problems of a nation is socialism, the subsidy paid to farmers is socialism. The gentleman from Indiana [Mr. HALLECK] voted for that. But I deny that it is socialism. I said the other day that if we confined our legislation only to the industrial phase of the Nation, we would destroy agriculture. We have to give agriculture proper consideration to live. The legislation that we passed has been in an effort to enable agriculture to guard itself against inevitable results. We protect industry with a tariff. The farmers, with an exportable surplus, are compelled to sell on a world market. You and I know that from experience. So, if my friend is sincere, he would vote against that, on the ground that it is just as much socialistic. But I deny that it is socialism. I repeat, it is a dynamic democracy, meeting the problem, trying to meet it to the satisfaction of the national interest.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SMITH of Ohio. Would the gentleman point out, in either the old low-rent housing law or the one under consideration, where it provides that these projects will be owned by the local community or the municipalities, after the projects have been paid for?

Mr. McCORMACK. Well, I was speaking for Boston. The city of Boston has an agreement, through the Boston Housing Authority, to pay a certain amount each year. Some of that is on account of the principal. When it is all paid off, then the Boston Housing Authority owns the projects, for the city of Boston.

Mr. SMITH of Ohio. Do you have such an agreement in writing?

Mr. McCORMACK. That is my understanding.

Mr. SMITH of Ohio. I think you are mistaken. If you will read the bill—

Mr. McCORMACK. I am talking about the 268 projects in existence now, as a result of the 1937 act. It is initiated locally, administered locally, and there is no overcontrol as far as Washington is concerned.

Mr. SMITH of Ohio. I think the gentleman is mistaken.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment and wish to call the attention of the House to the figures as they resulted from an election in California on November 2 last on a proposition similar to the bill that we have before us. I doubt if there is a State in the Union that needs public housing any more than the State of California. We are increasing our population to the extent of some 26,000 a month from all parts of the Nation. It was at a free election at the same time that there was a Presidential election and at the same time that President Truman carried the State by 12,000 votes. At that time the people from all parts of the great State of California voted "no" to the total of 2,372,646 and "yes" to the total of 1,042,089. In other words, there was a 2-to-1 vote cast against public housing, and in every one of the 58 counties the vote showed the same proportion of 2 to 1. I know that the vote in my congressional district was "no" 2 to 1, and I believe the figures will show that the vote was 2 to 1 "no" in practically every congressional district in the State. The only section of the State that showed any figures in favor of it were two assembly districts in the northern part of the State of California.

What did that proposition offer to the people? It was a constitutional amendment; it was fully publicized; everyone had an opportunity to know what it was all about. It set up an authority that would give the privilege of calling on the treasury of the State of California to the extent of \$25,000,000 annually. It gave the State housing authority authority to issue bonds to the extent of \$100,000,000 to build low-cost housing; yet the people said "No" to the extent of 2 to 1.

Coming back to the bill under consideration, H. R. 4009, in my opinion it is



just as discriminatory as the Barden bill which has not yet arrived on the floor of the House. But as we know from mail we have received about it from all parts of the Nation, it is perhaps the most discriminatory piece of legislation we have had yet before us. What does the Barden bill do? It states in effect that for every school child between the ages of 5 and 17 in any State the Government will pay to the extent of \$5 per capita, and then it states that that money cannot be spent in any State on any school child that is not in a tax-supported school.

What does this bill H. R. 4009 state? It states that all of the taxpayers of the Nation must put up \$308,000,000 a year to take care of housing for 810,000 people, when we know by the census that there are many many more than 810,000 people who need low-cost housing. If it is the responsibility of the Federal Government to supply them with low-cost housing the bill is discriminatory because you cannot take care of the number who need to be taken care of, and you are only opening the door of opportunity to a few and denying many. You expand this kind of philosophy into a further extension of the use of Federal funds for the purpose of providing subsidized housing for those who cannot or will not supply it for themselves.

It has been argued here that this bill is no more socialistic than, say, the public-school system, the road system, and the sewer system. That may be true; as a matter of fact, we all contribute to the sewer system, and the public-school system, and the fire department, and other similar things; but we all have the right to use them. In this instance while we all contribute, yet only a privileged few have the right of use.

You have heard the argument that these 810,000 so-called low-rent housing units will provide a turn-over over a period of years. I venture to say that favoritism will be granted to those who are in and that the attitude on the part of those who are in will be that they will not want to increase their earnings to the point where they might have to get out because it would be a poor thing for them to do when they know they are under the patronage of the Federal Government and receiving subsidized rent, in Government housing.

I repeat that this bill (H. R. 4009) is just as discriminatory as the Barden bill for aid to education which all of us have heard plenty about from all parts of the Nation. People are opposed to the Barden bill because it requires payment of \$5 per capita for all school children in any State and thus provides a penalty for spending any of that money on any private-school children in any State. This is rank and unfair discrimination.

This bill does the same thing in a different manner but with the same effect. House bill 4009 requires all taxpayers to provide \$308,000,000 per year for 40 years in order to provide low-rent housing for only 810,000 taxpayers, thus discriminating against all other taxpayers who may need low-rent housing just as badly as the 810,000 who may get it.

But under the terms of H. R. 4009 everyone pays and only 810,000 families in the Nation benefit. Here everyone is penalized for the benefit of a few. That is special privilege of the highest order, and the very people who are supporting H. R. 4009 have been crying to high heaven against special privilege for years.

The gentleman from New York [Mr. ROOSEVELT] said last week that this bill would mitigate against communism. Question: Will making a man and his family beholden to and a recipient of shelter from the Government do this? Will telling a man that he can live in Government-owned housing as long as he does not earn more than so much money and that the moment he exceeds that amount of money he will be thrown out and evicted tend to mitigate against communism?

Of course not. Making a man subordinate to the state is the first order in a Communist state as it is in the Fascist state. Now let us see what Hitler and Mussolini did about public housing in order to make their subjects beholden to the state.

With regard to providing public housing for low-income groups, it is pointed out that this was one of the basic items in the program of the Fascist-dominated countries. As indicated in *Fascism in Action*, a publication prepared by the Library of Congress, these Fascist governments, upon advent to power, found some provisions for public housing already in effect, as well as a housing shortage which threatened to undermine the state's program for larger families and an increasing birth rate. In general, the Hitler government concentrated its plans for building in the direction of low-cost housing for workmen and employees. The housing program under Mussolini followed the same general pattern.

It has been said that there is no politics in providing low-cost public housing. Well, let us see what one of the top-flight experts has to say about that.

In his book, *The Challenge of Housing*, Langdon W. Post, former chairman of the New York City Housing Authority and nationally known proponent of public housing, said:

In a housing program there is land to be bought, houses to be built, and tenants to be selected. Each step holds great possibilities for the politician and the businessman. The real-estate operator has land to sell. The banks have bad mortgages which they are anxious to have rescued. The architect has plans for sale. There are building contracts to be awarded. The inhabitants of the slums are tumbling over themselves to get into the developments, which means that there will not only be the usual jobs for those in control to give out, but apartments as well.

This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunities latent in a \$500,000,000 housing program in New York City. Commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

And now a word about supplying food as well as housing to some of the people

of the Nation at the expense of all. H. R. 4009 provides for a grant of \$500 as an outright gift to an estimated 50,000 farmers plus a loan to build farmhouses and other buildings, and the Secretary of Agriculture can, on his own motion, declare an unlimited moratorium on the principal and interest on the loan. Now we are giving support prices to farmers as a guaranty against loss on certain crops which in many cases exceed the cost of food for the farmer's family.

Are we not by this action providing food and shelter to a segment of the people at the expense of all? And when, may I ask, will we not be called upon to provide the other essentials, clothing? Thus making the three essentials of living, food, clothing, and shelter, available to some favored few at the expense of all.

I urge the adoption of the amendment submitted by the gentleman from Kansas. (Mr. McDONOUGH asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on title III and all amendments thereto conclude at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HALLECK. Mr. Chairman, reserving the right to object, the pending amendment is to strike all of title III. It would seem to me in view of that circumstance, and not knowing how many other amendments there might be if the title is not stricken out, it would be well to limit the time on the striking out of the title, then proceed with the other amendments to the title if there are to be such.

Mr. SPENCE. I will agree to that.

Mr. Chairman, I ask unanimous consent that all debate on the pending amendment to strike out the title and all amendments thereto conclude at 3 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I assume from what the gentleman from Kentucky said just previously that perhaps he unfortunately misstated the unanimous consent request. Do I understand that the unanimous consent request is that all debate on the pending amendment, which would strike out title III, close at 3?

Mr. SPENCE. Yes, and all amendments to the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WILLIAMS. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 3 o'clock.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. I understand the amendment which is now pending is one that was offered by the gentleman from



Kansas [Mr. REES] to strike out title II, is that right?

The CHAIRMAN. The gentleman is correct.

Mr. GOSSETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOSSETT. Mr. Chairman, if the motion is agreed to, then would the remaining time be divided equally among all gentlemen standing?

The CHAIRMAN. All gentlemen who want to speak on the pending amendment.

Mr. GOSSETT. We would have about 1 minute each?

The CHAIRMAN. The Chair is unable to determine that at this time.

The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 131, noes 45.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I rise in support of the amendment. The gigantic public housing feature of this bill is, in my judgment, a two-edged sword, one edge of which cuts the heart out of the American economy, and the other the heart out of American character.

The distinguished majority leader addressed himself to human values, the human equation. That, too, gives me greatest concern because all other values are relative. You do no one a favor if you fill his stomach and empty his backbone in the same operation. When we build gigantic public housing projects and subsidize the tenants who live in them, we tend to destroy thrift, initiative, ambition, and many other worthwhile attributes of character and citizenship. Think what would have happened to you as a boy if you had been told when you became a man if through circumstances or otherwise you were unable to build a home, that the Government would furnish it to you. I submit that this public housing feature of this bill pushes us many miles farther down the road into national socialism. The chips are down on this, gentlemen. You will have to choose whether or not you want American democracy or choose to embrace some sort of statism. This is simply the first installment on this matter of subsidizing low-income families in the matter of housing. If you subsidize John Doe this year and not Richard Roe the next year, you will make Bolsheviks out of both of them. The time has come when we must call a halt on unrestrained public expenditures, or else we will be called upon in the next session of Congress to raise taxes, and ultimately to devalue the dollar, perhaps to repudiate debts. If carried to its logical conclusion the public housing provisions of this bill mean economic and social chaos.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. JUDD. Mr. Chairman, I ask unanimous consent that my time be

allotted to the gentleman from Massachusetts [Mr. HERTER].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GAMBLE. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HERTER. Mr. Chairman, I regret exceedingly that my distinguished colleague, the majority leader, does not appear to be on the floor at the present time. He began talking about public housing in the city of Boston, and I wish he had continued talking about it, because I think there are certain phases of it that would be of great interest to the Members of this House. It is true that we have considerable public housing already in the city of Boston. Furthermore, we have available to us in city funds and State funds some \$58,000,000 still unexpended for public housing, all of which could be transferred to the Federal Government. The last project that we constructed, 1,044 units, cost \$15,322,000 or \$14,863 per unit to construct. That, when taken over by the Federal Government, is going to take a subsidy of colossal proportions to hold rents down to what you might call low income families, and the rest of the country will have to pay for it, if as is possible on page 76 of this bill, that project is taken over under the bill we now have under consideration.

But that, Mr. Chairman, is not my principal objection to this title. My principal objection to this title is that the Federal Government is building all of these projects, and let us not fool ourselves. We are building them, and we are not willing to face the cost of building them directly. We are meeting the cost by an indirect method of financing that to my mind is completely dishonest. What we are doing is wishing on our children and our grandchildren—and I do not believe there will be a Member of this House alive at the time we finish paying for what this bill calls for—something that is an outright gift to the cities and towns, for which not one nickel will ever be repaid. If we are going to go into the business of making gifts, let us make them honestly and put this thing on a capital-grant basis, and make an outright present of it to each city and town for low-cost housing. Let us not fool ourselves by tying up the Congress of the United States for the next 45 years with promises to pay that are absolutely irrevocable. What we do here today in this particular phase of the bill can never be undone, because the credit of the United States is pledged. One man, one individual, can sit down and pledge the credit of the United States to the extent of \$12,000,000,000 for the next 45 years, without any recourse on our part whatsoever. That to my mind is the worst part of this title III. That

to my mind is a completely improper way to finance gifts. No matter how desirable the housing may be, that is an entirely improper way of doing it.

Let us not kid ourselves about these subsidies. These subsidies go way beyond the mere construction cost of these buildings. The Bureau of the Budget said, "No; they do not go beyond the construction costs," but they go way beyond the construction costs.

Over and over again it has been said here on the floor of the House that the amount of the subsidy that will be paid on the projects will be flexible, that year after year we will change it in accordance with the ability of the people to pay rents. The bill itself states that contracts have to be made in uniform amounts for a uniform number of years, and insofar as the pledge made for the public financing is concerned, that cannot be touched in any way whatsoever. This means that after we have given these buildings away—and we pay for them entirely—there is a surplus in this annual grant, and a very considerable surplus, and that will then be handed out as the Administrator wishes to hand it out to each one of these projects not only to pay for the carrying costs of the building, but to pay for janitor service, for light and heat, and so on. Is that the kind of thing we want to do, or do we want to do what the President has said and what the Bureau of the Budget has said?

There is a complete conflict in what has been told here as to what kind of a subsidy program we are engaging in. As I have said before, Mr. Chairman, to me, irrevocably committing the Congress, without ever going to the Committee on Appropriations in any way, shape, or form for a period of 45 years, through contracts entered into by a single individual, is not proper finance. It is a terrible precedent to set here. We unfortunately began it in the 1937 act, and we began it in very small amounts. We should never have carried it into this program. This program is 12 times as great as the program that was contemplated in 1937, and that was considered a colossal start then. What will the next one be, when we begin wishing the payment of the costs of these operations onto our great-grandchildren in larger and larger amounts that do not look too big in 1 year but which, when they accumulate over a long period of years, make a commitment that we are all going to rue.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks.)

Mr. BIEMILLER. Mr. Chairman, a little while ago the gentleman from Indiana [Mr. HALLECK] made reference to some recent newspaper polls on the question of public housing. I should think even the gentleman from Indiana would by now be very suspicious of the kind of newspaper polls to which he referred. Certainly the results of November 1948 should have forever discredited that type of poll.



What I want to refer to is the kind of poll I think the Congress should be paying attention to, and that is the election which took place in November 1948. Certainly the issue of public housing was clearly fought out in that campaign. Certainly the people of this country said quite plainly that they recognized that in the field of low-cost housing private industry had failed utterly to meet the needs of the people and that it has become absolutely essential for local housing authorities with financing help from the Federal Government to solve this problem. My own city is a case in point. For years the people of Milwaukee had prided themselves on being a debt free city. In April 1948, for the first time in 20 years, they voted to issue bonds to start their own local public housing projects. The public housing authority, acting upon that mandate given them in April 1948, has started three projects with local funds.

It is also worth noting that every candidate in the 1948 Milwaukee mayoralty election—15 in all—spoke for public housing. The two who made the run-off were the most vocal. The winning candidate, Mayor Frank Zeidler, testified for this bill.

A further mandate for public housing given in November 1948 when the city went overwhelmingly Democratic, both successful congressional candidates stressing this issue. The Milwaukee Public Housing Authority has already prepared plans for additional housing projects, anticipating the passage of this bill. We in Milwaukee are ready to go. The Nation is ready to go. It is high time the Congress acted.

Remember the Eightieth Congress rejected this bill. The people rejected the Eightieth Congress. They want public housing.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I think it is self-evident from all the reports we have been receiving that the Government cannot build as cheaply as private enterprise. From the New Haven (Conn.) Register of last Sunday, we learn that the most recent public housing development there is costing people with incomes of about \$3,600 a year from \$65 to \$80 a month. Now, the mean of rent on privately constructed comparable accommodations is something like \$40 a month.

I also want to call attention to the fact that we are catching up with housing in the United States and that in 1946, when the Government had control of every ounce of building materials which was going into housing or which was being allocated for that purpose, we produced only something like four hundred and fifty-and-some-odd thousand units. In 1946, after the control had been taken off, private enterprise built 854,000 units and in 1948 according to the Bureau of the Census they constructed 1,018,000 units.

Much has been said about the doubling-up situation at the present time. The Bureau of the Census says, and the last report is dated 1947, that in 1940

there were 3.06 people in each housing unit and in 1947 there were 2.87 people in each unit, which shows there is not nearly as much doubling up and that there was much more floor space available in 1947 than there was in 1940.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I think if we could agree on one thing, that would settle this debate and we could come to a vote quickly. Can we not agree on what socialism is? The majority leader simply raises the point and says, "I declare this is not socialism"; but he does not define it.

The honorable chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] turns red in the face when you say socialism, he despises it so. Then it follows, does it not, that we would all reject this proposition if we could agree that it is socialism that we are adopting.

You do not get a completely socialized housing program all of a sudden, by taking over the management of the economy of housing. Socialism is nothing but management of the economy by the central power of government. Our Government has been managing the economy of housing by credits, direct loans, and insurance, up to about 70 percent of all housing during the last 16 years. The housing bill we are now considering is a logical continuation of the same socialism. We have had a logical consequence of socialism itself. That management and control has created the need—even many of the slums that are proposed to be cleared. It owns or holds the mortgages or imposes the burdensome taxes that destroy liberty and makes freedom of enterprise in housing impossible. Liberty or the free enterprise has not failed, but the socialism that has already taken its place. Confidence in liberty and the rights of property as the proven source of better housing should be restored and the amendment striking out title 2 adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, I am sure we have heard today the conflicting philosophy of those who have very sincere and deep feelings on this legislation. We are living today in an urban civilization, one in which conditions in our great metropolitan areas, conditions of blight, poorly housed families, people with large families, people who are living doubled up, in trailer camps, and many who are unable to pay economic rent at the prices at which private enterprise is able to offer these properties and make them available.

It has been said that this bill will not meet the entire needs of our people in their plight. There has not been a Member on this side of the aisle, on the committee, who has said that this bill is the sole answer to the question of slum clearance or of homes for those who are living in almost uninhabitable dwellings. This is merely a start to try to direct our efforts toward making it possible for a larger percentage of our people to have a decent place in which to live.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CRAWFORD. Mr. Chairman, I am in favor of striking title II from this bill. I do not believe in the philosophy which it sets forth. It is a politician's dream. It is a delusion and a snare to the people of this country, the means of financing it will be strictly political taxes, assessed for political purposes.

I agree absolutely and categorically in what the gentlemen from Texas said a while ago about this whole scheme. I would rather my own son, who is now 16 years of age, died in his youth, than to have to grow up in a country where he does not have the liberty and freedom such as this country has given to our boys and girls through the years.

I have no sympathy whatsoever for a Government if it comes out and robs its people of the chance of making their own way through their own initiative.

What this Congress should do is to preserve the country and its institutions so as to give our people opportunities, instead of trying to buy them off with political promises. It is difficult for me to have respect for politicians who make such promises to the voters of this country. I wish title II could be stricken out and forever erased from the history of this country.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The gentleman from Georgia [Mr. WHEELER] is recognized.

Mr. WHEELER. Mr. Chairman, I rise to ask one question of the Committee on Banking and Currency, and if they can justify what has happened in one city in my district then I shall vote against striking title II from this bill. If they cannot justify what has happened in Brunswick, Ga., then I shall support the striking out of title II.

In 1942 and 1943 there was built in Brunswick, Ga., a public-housing project of approximately 2,100 units, built of jumbo brick tied together with concrete, with concrete floors and asbestos roofing. Within the past year some person in one of the bureaus down here determined that all of those units were temporary, and within the past year under his finding, two-thirds of those units have been demolished. Now the Public Housing Authority of the city of Brunswick is asking for approximately \$6,000,000 under the provisions of the pending legislation to be sent back to Brunswick for public-housing units. I should like to have that inconsistency satisfactorily explained.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The gentleman from Oregon [Mr. ELLSWORTH] is recognized.

Mr. ELLSWORTH. Mr. Chairman, I wish to point out to the committee that there are two completely separate and distinct philosophies expressed in this bill before us today; one is contained in title I of the bill, namely, the slum clearance provisions; and the other is contained in title II, regarding which an amendment is now pending to strike it from the bill. Title I of the bill is a slum clearance title; title II, in my opinion, and I think it is a justifiable and sup-



portable opinion, is a slum promotion title. Let me explain why I say that.

When title II becomes law and two-hundred-and-some-odd-thousand units are built this next year there will be picked out in the dozen or more large cities of this country where these units will be built, certain families to go into these units. When they are placed in these units they are thereby branded and grouped together as low-income, or poor families. That is a principle to which we have always objected in this country, singling out and labelling anyone because he is not as fortunate as his fellows, perhaps does not make as much money, or is not able to live quite as well. Title II is really a slum promotion title and should be stricken from the bill.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, in support of this amendment we have heard rehearsed all of the arguments that have been made against the bill, those based upon fact as well as those based upon misstatement of fact and distortion of fact. I am not going to undertake now to try to answer them. All of those arguments, in my opinion, have been thoroughly demolished by the debate thus far.

The sponsor of this amendment to strike out the public-housing title of this bill has come forward with a new argument against the bill. He told you that if you strike the public-housing provision you can still have the slum-clearance title and that with that you will get slum clearance. We sat here yesterday and watched almost every Member on the Republican side vote in favor of the Powell amendment to the slum-clearance title which provides that slums may not be cleared except that you make provision for the housing of the people living in those areas. Now you want to take away the provisions of the bill under which we intend to create the housing to house those people. At the same time you try to tell us that if you delete this title but keep the other title you can have slum clearance. Where are you going to put the people from the slums unless you build houses under this title to take care of them?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, I shall vote to strike out section 2 of this bill because I consider it unwise, unsound, unnecessary, and unjustified. It would have the effect of setting the stage for more and more and more subsidized nationalized housing in the future which I consider to be an improper thing and a dangerous departure from the methods we have followed in the past. It means a greater burden on our taxpayers, more bureaucracy, and more deficit financing at a time when we should be trying to balance the budget and pay off some of what we owe.

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

(Mr. WILLIAMS asked and was given permission to extend his remarks at this point in the RECORD.)

(Mr. WILLIAMS addressed the Committee. His remarks will appear hereafter in the Appendix.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the distinguished gentleman from New York in his remarks said that when socialism was mentioned my face turned red. My face neither turns red from rage nor white from fear when socialism is mentioned in connection with this bill. I think it is a fake issue, it has no merit and should not be brought into the discussion or the consideration of the House here at all. If I thought this measure was socialistic and was drifting our Nation toward socialism I would be opposed to it. I would be much embarrassed and humiliated if I thought in order to help the American people we had to resort to socialism.

A gentleman has just read some quotations from Thomas Jefferson. Knowing something of the history of Thomas Jefferson, knowing his interest in the plain people, knowing his desire that they should have a voice always in their Government, I am sure if Thomas Jefferson were here today there would be no more earnest advocate of this legislation than he. We have already considered this amendment. Some time ago the gentleman from Kansas [Mr. COLE], offered an amendment that would have gutted this title. You voted it down. Then you subsequently voted for the amendment I introduced for 810,000 units.

You are just running around in circles, considering an amendment the purpose of which has already been considered by the House.

(Messrs. NELSON, JAVITS, and HOLIFIELD asked and were given permission to extend their remarks at this point in the RECORD.)

Mr. NELSON. Mr. Chairman, I rise in support of the amendment. Unless the amendment is adopted I am going to vote against this bill. I shall do it with the sincerest conviction that I am voting in the interest of the working men and women of my district. I have never seen or talked with the so-called real-estate lobby that has been name-called in demagogic fashion here to becloud the truth that men can be sincere and still differ in the means of achieving a humanitarian result. I realize, I think, the essential need for new housing in America.

I have no fear of the word "socialism" if that is what the American people want. I have a most urgent fear that socialism will be foisted upon the American people by the philosophy of despair and politically expedient liberalism too prevalent in Government circles today. Socialism means government ownership and operation of the major sources of production. It has as its inevitable counterpart government ownership and assignment of living space.

What is the American alternative? Our entire system has been built upon the right to private ownership of prop-

erty. Presumably America should offer to every citizen equal opportunity to own a home. The desire that lies deep in the heart of every American man and woman is to build and own his own home and raise his family in surroundings of his own creation. Your answer to this desire is politically allocated living space in Government-owned buildings. If this bill were a temporary measure designed to meet an emergency, it might well be justified. I should vote for it. But it is not merely a temporary program. It is one that extends for 40 years and will cumulatively freeze more and more thousands of Americans as tenants of the Government and deprive them of an essential American right because of the increasing burden of taxes necessary to support the Government program. It changes the whole basis of our society from private to public ownership of housing. I do not for one moment believe that any veteran fought for the privilege of living out his days in Government-allocated living space.

In our philosophy of despair we abandon one of the greatest bulwarks of the American system. An America that can out think the world in technical and scientific developments cannot solve its own economic problems on the basis of our own truths based on the desires of every free workingman for his own home. We borrow in helplessness from a completely alien philosophy bred of the despair and exhaustion of European governments that long since would have toppled had they not been bolstered with American dollars.

I have no sympathy with those who maintain that slums can be cleared by private enterprise in conjunction with local self-government. It never has been done; it never will be. I believe this is a field which the Federal Government must enter and as soon as possible. Let us appropriate money to do that job. This bill has no direct relation to slum clearance. Prior Federal housing laws have provided that for every Government housing unit built an approximate number of slum units must be cleared. This bill has no such provision. It is easily conceivable that billions in Government housing could be built and not a single slum cleared.

Let us clear the slums and after we have done that, let us solve housing in an American way. Let us provide credit terms that will enable the low-income groups, whether as individuals or cooperatives, to own their own homes, whether in single- or multiple-dwelling units. Let us find means to reduce the cost of building materials instead of increasing them as this bill would immediately do. Let us provide cheap, nonspeculative land. Lastly and very importantly, let us increase their take-home pay by cutting out inefficient and nonessential Government expenditures and then repealing the heavy wartime excise taxes that fall largely on this group and increasing the income-tax exemptions in the lower brackets to a minimum living standard.

This bill has no provisions that approach this solution to the problem. On the contrary, it ties up billions of dollars



over the next years, dollars that will be added to our already staggering national debt, dollars that will be beyond the control of Congress to cut off regardless of any national or international emergency that might arise, dollars that will undoubtedly prevent any reduction in taxes.

Our job is to furnish the opportunity to own a home to every American. After that we should place a premium on enterprise, not despair. This bill is almost of only academic interest to my State. Little of the money will be used there. If a working man in my district were granted as a loan the estimated cost of one unit of this Federal housing, he could build himself a fine home and pay for it easily over the period of your proposed program. I am sure he would prefer it. There is no provision in the bill that would allow such a sane approach in my own or a comparable district. Instead the working men of my district are to be taxed to build homes and pay a good part of the rent for a favored few in large metropolitan areas. By the very amount of tax they will increasingly have to pay they will be prevented from bettering their own condition and building their own homes.

It is my sincere conviction that it is time we realized that you can not lick socialism and communism by joining it. Our job is to adapt unchanging American truths to the needs of a changing times. Our job is to keep those truths dynamic so that the opportunities they guarantee shall be denied to no man. We have as a foundation the strongest political and economic system in history. Shall we tear it down and start over? Or shall we go on building with equal rights of ownership and opportunity guaranteed to all?

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

#### THE TRUTH ABOUT HOUSING

Mr. HOLIFIELD. Mr. Chairman, I believe it is my duty to vote for legislation which will assist in solving the over-all problems of building homes for our citizens.

I expect to vote for legislation which will help to overcome major problems in these three major fields of need for adequate housing:

First, I will vote for extension of FHA home loan provisions to increase the supply of homes for people who are able to make sufficient monthly payments on a long amortization basis. This FHA extension will enable private enterprise to build these homes at a fair builders profit. This part of the program is possible only because the Federal Government guarantees and stabilizes the secondary market. The FHA program is clearly the use of Federal credit for the benefit of:

(A) The home purchaser by making him able to purchase a home; and

(B) the home builder by helping him to expand a profitable business.

Second, I will vote for reactivation of the GI home building program which also utilizes Federal credit on slightly more advantageous terms, in order that the veteran may purchase a home. These

houses are built by private enterprise at a fair builders profit. Again, this is possible only because the Federal Government guarantees and stabilizes the secondary mortgage market for the benefit of:

(A) The veteran, desperate for a home; and

(B) The builder eager for a larger profitable construction business.

Third, I will vote for slum clearance and public housing to meet the critical need for homes for those whose incomes are too low to permit their participation in the two programs already mentioned. These people have incomes too low to make the down-payments and the monthly payments necessary to purchase the homes their families need. They are American citizens, and their wives and children need decent homes just as much as those in more favorable economic circumstances. In time of war, their children are under the same obligation as other sons and daughters to fight and possibly die so that the rest of us may continue to live under democratic government. In my opinion, for the good of the Nation, these people must be taken out of the slums and the disease-ridden shacks, and given a chance to rear their children in a healthy environment. I believe that the strengthening of the moral fiber of this group will do more to prevent the spread of communism than any other one social advance.

It is in this area that I believe the Federal Government is obligated to extend credit over a longer term and at lower interest rates to local housing authorities to meet the urgent need. Two factors should be remembered:

(A) The local housing authority must first be authorized by State and local legislative action. Local participation in this program is purely voluntary and the locality retains control of the projects and eventually owns them.

(B) The local housing authority must rent these houses to people whose income is too low to participate in the FHA and GI home-building programs.

Again, this facet of the over-all home-building program can be possible only through the extension of Federal credit, and the program will benefit:

(A) The low-income families who will be given the opportunity to live in decent American homes; and

(B) The home builder who will profit through being allowed to build these projects at a profit through the contracts let by local housing authorities.

This is not a radical program; it is a conservative program. It conserves the priceless human resources of our Nation. Forty-six of our forty-eight Governors and the mayors of our largest cities have endorsed it. Many of the most conservative Republican Members of the Senate, including Senators TAFT, VANDENBERG, BREWSTER, and CAPEHART, voted for this program, along with the liberal Members of the Senate. The 57 Members of the Senate who voted in favor of this program on April 21, 1949, are as follows: ANDERSON, BALDWIN, BREWSTER, BRIDGES, CAPEHART, CHAPMAN, DONNELL, DOUGLAS, ELLENDER, FERGUSON, FLANDERS, FREAR,

FULBRIGHT, HAYDEN, HENDRICKSON, HICKENLOOPER, HILL, HOEY, HOLLAND, HUMPHREY, IVES, JENNER, JOHNSON of Colorado, JOHNSON of Texas, JOHNSTON of South Carolina, KEFAUVER, KERR, KILGORE, LANGER, LODGE, LONG, MCCARTHY, MCFARLAND, MCMAHON, MAGNUSON, MALONE, MARTIN, MAYBANK, MORSE, MYERS, NEELY, O'MAHONEY, PEPPER, RUSSELL, SALTONSTALL, SCHOEPEL, SPARKMAN, STENNIS, TAFT, TAYLOR, THOMAS of Oklahoma, THOMAS of Utah, THYE, TOBEY, VANDENBERG, WITHERS, YOUNG; and the following Members who were not present were announced to be in support of the program: LUCAS, SMITH of Maine, WILEY, CHAVEZ, DOWNEY, EASTLAND, GILLETTE, GRAHAM, GREEN, McGRATH, HUNT, MCCARRAN, MCKELLAR, MILLER, MURRAY, WAGNER, AIKEN, SMITH of New Jersey.

The mayor of our own city of Los Angeles, Mayor Bowron, also a Republican, sent me a telegram requesting that I vote for the slum clearance, public housing feature of the housing program. I read that telegram to the Members of the House of Representatives on last Thursday, June 23.

To those of my friends in the Nineteenth Congressional District of California who have heard only the propaganda of the real-estate lobby, I would like to ask just two questions:

First. As the head of a family including children, and assuming that you were in the extreme low-income bracket, would you rather live in one of the public housing units of Maravilla, Ramona Village, and Aliso Village, or in the slums found on a certain section of Utah Street and in the Simons brickyard shacks?

Second. Which environment would give your wife and children the better opportunity for health, happiness, and development of those qualities which make them good citizens?

Personally I would prefer that Federal credit be extended to this low-income group on special low interest rate, long-term loans, so that they could build individual homes. However, I realize that such a program cannot be passed by this Congress. Therefore, I am supporting the present bill, H. R. 4009, in the hope that it will provide a temporary solution for the low-income families' plight, by giving them a chance to live in decent environments. This will give them a breathing spell until their incomes increase to the point where they will be able to avail themselves of the FHA or GI loan programs, and purchase their own homes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES) there were—ayes 135, noes 136.

Mr. REES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 168, noes 165.

So the amendment was agreed to.



## THIS TRAGIC PROCEDURE

Mr. KLEIN. Mr. Chairman, I am shocked, dismayed, and angered by the tragic procedure which has just transpired in the Committee of the Whole.

By this action the whole heart of the National Housing Act has been torn from the bill, and nothing but the lifeless corpse of legislation to which this Congress is dedicated has been left.

I am confident that when the Committee rises and we pass on the matter in the House the vital contents of title II, the low-rent public housing provisions of the bill, will be restored; but the country has been treated to a spectacle of irresponsibility and betrayal of democratic processes.

In the orderly consideration of important legislation, it is vital that the will of Congress be clearly demonstrated, so that even he who runs may read our intent. An essential part of that process is reading for amendment under the 5-minute rule, when each section, each line, each word is reviewed; opinions are put forward; ideas are clarified; and frequently weak spots are discovered and remedied.

## COUNTRY IS ROBBED

By action in committee today the country has been robbed of a proper examination of the language of title II and of the explanations of congressional intent on which future administrators will depend for guidance. The public is deprived of the democratic processes of open debate to which it is entitled. Courts may in the future be hampered in arriving at exact justice by lack of full debate on these sections.

I want to repeat what I have said before: That many a political future is being decided here today.

The people of the United States want this legislation.

November 1950 is 16 months away; but many a congressional election will have been decided before this bill is passed.

## AMENDMENTS TO TITLE II

Aside from my shock and disappointment at the action of the Committee, I myself had three liberalizing amendments to offer to this title. In my belief, each of these amendments was worthy of serious consideration, and I was hopeful of their adoption.

Under the rules of the House, even if we are successful in restoring the title, no amendments can be offered.

Therefore, Mr. Chairman, I am taking this time to present the language of my proposed amendments and to discuss briefly their purpose and the reasons I believe they are needed.

## DISABILITY EXEMPTION

The first amendment I wished to offer would have been in the form of a new subsection (e) to section 201, and would have read as follows:

Page 28, line 16, strike out the period and quotation marks and insert in lieu thereof a semicolon and the word "and," and after line 16 insert the following: "(e) where the public housing agency fixes the rent to be paid by a tenant family in relation to the income of such family, it shall exclude from such income for such purpose any amount

received from the United States Government for disability in connection with military or naval service."

The purpose of the amendment was to instruct the local housing agencies not to include disability or death payments of veterans or veterans survivors in computing the monthly rental. This, I submit, is a small payment on the debt we can never pay to the men disabled or killed in defense of our homes, our country, and our freedom.

I should like to call to the attention of the voracious real-estate lobby which dictated today's slaughter of low-rent housing that had it not been for the sacrifices made by millions of men in our armed services this lobby might not now be free to carry on its campaign of misrepresentation.

## EXCLUSION OF DEPENDENTS AND SECONDARY WAGE EARNERS

The next amendment would have followed immediately after (e) as subsection (f), and is designed to carry out more fully the declaration of policy contained in line 21, page 24: "In recognition that there should be local determination"—

I do not believe, Mr. Chairman, that we can sit here, remote from the actual administration of the projects to be developed under the authority of this legislation, and lay down hard and fast rules for eligibility and rentals.

We are forced, by the practical considerations of local administration, to give the greatest possible leeway to the local officials.

It is our duty to lay down the general principles and to define in broad terms the groups of people whom we wish to benefit by this act.

This amendment would permit the local housing authority to allow certain exemptions for dependent members of the family, or of incomes earned by dependent members of the family.

I can refer to such dependents as secondary wage earners.

My amendment would authorize either a flat exemption from the rental computation of \$100 a year, or of all or any part of the income of a secondary wage earner.

The flat exemption of \$100 a year for each dependent would give special relief in hardship cases and would give the wife or dependent spouse the same status in computation of rent as is provided in the income-tax laws. I can cite case after case in my own congressional district where an invalid wife, or an incapacitated relative, or some other dependent in a big family consumes the family income but can make no contribution, not even in services, to the maintenance of the family.

The alternative formula of exempting all or any part of the income earned by a dependent is the same proposal in another form, and is also intended to give the local authorities discretion to give special relief in case of special hardship.

The local administrators can act on a full knowledge of the facts. Knowing and doing their best to carry out the purposes of the legislation and the will of Congress, they can decide each case on

its own merits, if such an amendment is adopted.

## ELIGIBILITY STANDARDS FOR ADMITTANCE AND TENANCY

Mr. Chairman, the third amendment I wished to propose would have given greater discretion to local officials in fixing eligibility for admittance and continued tenancy in the section making special provisions for large families with small incomes. This was the text of the amendment:

Page 45, strike out line 15 and all that follows down through line 4 on page 46 and insert in lieu thereof the following: "Available solely for families whose net annual income, less any exemption allowed under the next sentence, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, and other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the purpose of determining eligibility for admission to, or continued occupancy of, low-rent housing, a public-housing agency may allow, from the net income of any family, an exemption for each member of the family (other than the head of the family) of either (A) \$100, or (B) all or any part of the annual income of such member."

This amendment would have rewritten section 206 in such a way as to give greater discretion to the local housing agency to determine the eligibility of tenants to admittance and to continued tenancy in the low-rent projects built and operated under this act.

It makes the standards of eligibility the same in both cases, and permits the local agency to allow an exemption of either \$100 for each dependent member of a family or, as an alternative, all or any part of the annual earnings of any dependent member of the family.

This means that in big families with a number of nonproductive dependents, such as an invalid wife or an aged and incapacitated relative, or of small children, an amount of \$100 for each dependent would be deducted from the annual family income, just to determine eligibility for tenancy.

If, on the other hand, the wife or one or more of the dependents were able to add to the family income, and if the agency thought this formula would be fairer to the family and to the public, all or any part of the income of the secondary wage earners could be deducted from the annual family income.

I want to point out, Mr. Chairman, that this language is permissive. The local agency would have the discretion to decide on the merits of each case.

In my opinion, this language would make it possible to carry out the purposes of the act and our own intentions more realistically than the present language of the bill. It would be fairer to the rent payers and to the taxpayers. We simply cannot foresee all contingencies in advance, and I think we ought to leave it up to the local agencies, within the broad definitions of the language of this amendment.

## ACTIVITIES OF LOBBY

I cannot refrain from repeating my strong support of H. R. 4009 as reported by the Committee on Banking and Cur-



rency after months—I can almost say years—of careful consideration.

While I regard the amendments I wanted to propose as definite improvements within the democratic objectives of the bill, I would have voted for the bill without my amendments.

I think this is a proper place to remark that in the last few days I have received a great sheaf of telegrams and letters opposing the bill in the most fantastic, unreal, and bigoted terms, some of them so vehement as to be incoherent and meaningless.

Yet careful examination discloses not one single communication giving a residence address in my own district.

From my own constituents I have received substantial support for the bill; in opposition, a total blank.

Mr. McGRATH. Mr. Chairman, the Committee of the Whole has just adopted the amendment offered by the Republican gentleman with the aid of a few Democrats so that title 2, low-rent public housing, is stricken from the bill. This makes it impossible to consider the amendment that I now have at the desk. I am confident that later in the day the House of Representatives will reject the amendment that has just been adopted. However, according to parliamentary procedure, it is impossible for me to offer the following amendment:

Page 28, title II, section 201, section 15, subsection (8) (d) to be amended to read as follows:

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing projects involved; and if it is found, upon such reexaminations that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project if there are decent, safe, and sanitary dwellings available to them within their means and appropriate to their use.

"In determining net income for the purpose of considering eligibility for admission, continued occupancy and the fixation of rent, the public housing agency shall exclude:

"1. Not less than 40 percent of the income of any member of the family other than the head of the family.

"2. Income derived from veterans disability pensions, veterans subsistence payments and war widows pensions."

Add subsection (9) to read as follows:

"(9) The provisions of subsection (8) (a) shall apply to all tenant families residing in low-rent housing projects whether such projects were initiated prior or subsequent to March 1, 1949."

I had intended to make the following statement in support of the proposed amendment:

This committee has presented a splendid model type of legislation but like all good measures it lends itself to amendments to have it near perfection.

The proposed amendment delays the removal of tenants who have now passed the maximum income limits set for the project. It delays evictions until there are safe and sanitary apartments available. Secondly, it takes the income of the head of the family and excludes not more than 40 percent of the income of the other wage earners. Also excluded in the computation of the family income are all veteran pensions and war-widow pensions. Finally, it makes these

regulations applicable to all projects whether initiated prior or subsequent to March 1, 1949.

Why are these amendments necessary? The very basis of the legislation is a recognition of the principle of the general welfare and security of the Nation and the health and well-being of its citizens. The declaration of policy is a reiteration that the family is the basic unit of our civilization and that further the well-being of that family unit is an important cog in our social order. At the present time in the city of New York there are well over 4,000 families who because of increased income or because of doubling up, the income exceeds the amount of allowable family income. If the bill is passed in its present form, these 4,000 families will be faced with putting out the other members of their family or in some instances having to seek quarters elsewhere; and seeking quarters is a difficult task, if well not impossible. Once a family is evicted, once part of it goes here and another part there, that family unit seldom is reunited.

What is gained at this time in saying to a family because the sons or daughters have grown older and have gone out to become useful members of society, "You must now break up your home." Are families who have taken in their married children because there was no place for them to go to be faced with the decision of ordering their children out or break up both family groups?

There is nothing to be gained by making these people vacate. You will note that there is no protection given to families who fraudulently and dishonestly withhold information at the time they are given possession; nor is any protection given here to a family unit whose income has greatly increased because in those cases they would have financial ability to pay high rent.

The amendment further protects veterans and war widows who are receiving pensions from having these sums included in calculating the amounts of maximum income. It may be argued in the bill that certain protections are given to veterans, but I respectfully submit that that is only in the selection of the tenant and does not protect the veteran after he secures the housing.

If it is the intention of the committee that the protection is to flow through to the veteran after he is in possession, then I can see no objection in the language of the proposed amendment. It simply makes it more definite and certain.

I offer these amendments in the spirit of the fullest cooperation with the committee and only in the hope that with these slight improvements we can pass today a good and sound housing bill.

However, events now make it impossible to offer the amendment. Four thousand people will be faced with eviction. I am satisfied that the bill itself will be adopted at the close of the day and that 810,000 units will then be available in a short time to the people of this country.

Mr. CASE of New Jersey. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of New Jersey. Mr. Chairman, this amendment having been adopted, it is now impossible to offer an amendment to that title, is that correct?

The CHAIRMAN. The gentleman is correct.

The Clerk will read.

The Clerk read as follows:

#### TITLE III—HOUSING RESEARCH

SEC. 301. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made to the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321b, the results of such research and studies in such form as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing need and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

"SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments,



and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title."

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 53, line 12, strike out "321b" and insert in lieu thereof "321a."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 54, line 6, insert, after the period, the following: "To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 55, line 9, insert the following language:

"Sec. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

The committee amendment was agreed to.

Mr. HARDY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 53, at the end of line 14, insert the following: "Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8)

(a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection."

Mr. HARDY. Mr. Chairman, the title to which this amendment applies sets up a program of research in housing under the Administrator of the Housing and Home Finance Agency. One of the major purposes of such a research program is to discover the factors which are now preventing private enterprise from producing more housing. Out of this activity ways should be discovered to produce better housing at lower costs. Included in this title is authority for research relating to "housing market data, housing needs, demand, and supply."

The constituent agencies of the Housing and Home Finance Agency have to assemble similar data in order to carry out their specific functions. Heretofore, and under the bill as written, each agency, through its own personnel and independent of the others, gathers this data for its own use. Also, similar information is required by the Administrator in carrying out his functions with the disposal of war housing. Thus, under the bill as written we would most likely have four different groups of personnel collecting from the communities throughout the Nation essentially the same information.

Unless we adopt this amendment there will inevitably be serious overlapping of functions and duplication of personnel, for all of these constituent agencies must have this type of information in order to perform their duties prescribed by Congress. This amendment authorizes the Administrator to consolidate these functions and activities of the constituent agencies when he has determined that such consolidation is practicable and will promote more effective administration.

Under title III the Administrator would have the responsibility for collecting data similar to that required by the constituent agencies and common sense dictates that this function be consolidated in his office through the use of one group of proficient personnel. Thus, the same information would be readily available for the execution of the respective programs of the constituent groups.

Among the major benefits which would be derived from this amendment are the following: First, discontinuance of the duplication of work by the three constituent agencies; second, obvious savings in personnel, since much of the data required by these agencies are basically the same; third, a central point of contact for the gathering of basic housing and market data by the Federal Government; fourth, the assurance of a greater degree of consistency in such data by reconciliation of varying interpretations, thus minimizing debates, arguments, and time-consuming conferences; fifth, there will be established a responsible center for the accumulation of housing data which will be valuable to Congress in making future decisions; sixth, the Administrator will be better able to carry out his responsibilities, especially those relating to the stimulation of private enterprise and to

his accountability to the Congress; and, seventh, local community officials would be called upon to furnish information to only one group instead of four.

Besides lowering the over-all cost of this research function, my amendment will undoubtedly tend to greater efficiency and the making of quicker and sounder decisions. I am convinced that this amendment will be a real contribution to the ultimate development of a better housing agency and will afford the Congress more adequate controls in the administration of this program should H. R. 4009 be enacted.

The subcommittee on Government operations of the Committee on Expenditures is currently making studies concerning certain activities of the Housing and Home Finance Agency. The need to accomplish the purposes sought by this amendment were brought into focus by certain existing conditions which have come to the subcommittee's attention. I urge the adoption of the amendment before you for the reasons which I have already stated. It is the plan of my subcommittee to continue its studies of the operations of our housing program, and wherever corrections are needed, either in administrative procedures or in legislation, we shall seek their accomplishment through such appropriate action as may appear to be requisite.

Mr. Chairman, I hope the Committee will accept the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I have considered the amendment of the distinguished gentleman from Virginia. I think it is a meritorious amendment and I hope it will be adopted.

Mr. HARDY. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

The amendment was agreed to.

(Messrs. KLEIN and McGRATH asked and were given permission to extend their remarks in the RECORD immediately following the announcement of the vote on the Rees amendment.)

Mr. TEAGUE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TEAGUE. Mr. Chairman, I have a new title at the desk and I would like to know if it is proper to offer that at this time.

The CHAIRMAN. The amendment is in order at this time.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Insert on page 55 at the end of title III a new title to read as follows:

#### "TITLE IV

#### "VETERANS' PREFERENCES

"SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any



low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

"(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 20, 1947, April 6, 1917, and prior to November 11, 1918."

Mr. SPENCE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. TEAGUE. Mr. Chairman, this new title replaces in the bill the veterans' preference, which is on pages 28 and 29, with some changes. The first change is that the date for veterans' preference is January 1, 1947. This date is arrived at because there are some housing projects which are being built today in Chicago and Detroit which should be covered by veterans' preference.

The second change is March 1, 1949. The limitation for veterans' preference is taken from the bill, which gives veterans a continuing preference.

Mr. Chairman, many of these projects will not be built within 5 years. Many of our veterans are still in colleges, many are still in the service. The average age of World War II veterans is 25 years. Certainly, they will not have had time to have found their spot in this country within 5 years. I hope that this new title will be adopted.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I desire to withdraw my point of order. I see no objection to the gentleman's amendment.

Mr. TEAGUE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

#### TITLE IV—FARM HOUSING

##### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the Secretary) is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary,

proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contributions during the said 10-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

##### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwell-



ing occupied by him, or his tenants, lessees, share croppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of \$1,000 for any one farm or dwelling or building owned by such individual, or in excess of \$2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the grant.

#### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 405. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies, including the development, dem-

onstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm-housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 407. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 408. (a) For the purpose of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees

shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 409. (a) The Secretary for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payment of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the



United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 411. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 412. In connection with loans made pursuant to section 403, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000 and \$2,000,000 per annum, respectively.

SEC. 413. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 411 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 403, and (ii) the interest due on a similar sum

represented by notes or other obligations issued by the Secretary; (b) an additional \$1,000,000 for grants pursuant to section 404 on and after July 1, 1949, which amount shall be increased by further amounts of \$2,500,000, \$4,000,000, and \$5,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

Mr. SPENCE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that title IV be considered as read and printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama:

Amend section 404 by inserting "(a)" after the section number line in line 19, page 60, by striking from line 23, page 60, the words "or his tenants, lessees, sharecroppers, or laborers," and by striking from line 12, page 61, the words "or in excess of \$2,000 in the aggregate to any one such individual"; and by adding the following new paragraph (b) after line 2, page 62:

"(b) The Secretary may make loans under this section and section 403 in accordance with provisions of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available for assistance under this section for such purposes."

And amend section 413, line 25, page 71, by striking therefrom the words "for grants."

Mr. JONES of Alabama. Mr. Chairman, the purpose of this amendment is to strengthen the provisions with particular reference to sections 403 and 404.

First, let me explain that under the provisions of section 403 there is provision for the building of homes and other buildings in connection with farm operations, but they do not make any provision for any land acquisition to a potentially inadequate farm, and so amends the Bankhead-Jones Act in order that it will make the purchase of the additional land that will support the loan made under the provisions of this title. It means that the borrower will be placed in a position by additional land to raise his income sufficiently to retire the debt.

The amendment goes to section 404 and makes the provision that it will only apply to owner-occupants. The provision now contained in the bill says that it may apply to lessees, tenants, and sharecroppers. In view of the small amount of money that is made available for those types of farmers under this section whereby it will not make them steadfast and bound to the land, and we provide grants and loans to the maximum amount of \$1,000. The bill now provides that we can make loans and grants to any individual in an amount not to exceed \$2,000. In order to make this available to more farmers, we have reduced the maximum amount to \$1,000,

and provided it shall be applicable only to owner-occupants. We feel that the provisions of this bill will be strengthened. I have had the advice and counsel in preparing this amendment of the distinguished chairman of the Committee on Agriculture. He is in agreement with these provisions, as well as the Committee on Banking and Currency, that drafted and reported out the bill.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from California.

Mr. DOYLE. On what basis does the gentleman offer this amendment? On the theory that we should buy more land in order that the farmer shall make more profit?

Mr. JONES of Alabama. To secure the investment the Government is making in that loan and to place him in a position to pay off the loan that is made under sections 403 and 404.

Mr. DOYLE. Is not that socialism?

Mr. JONES of Alabama. When you go into the proposition of socialism, it all depends on whose ox is being gored.

Mr. DOYLE. In other words, it is not socialism to buy land for a farmer, but it is socialism to offer a person a chance to live in a decent house for which he pays.

Mr. JONES of Alabama. I do not agree with the gentleman at all. I am not talking about socialism. I do not think there is any aspect of the rural housing provision that pertains to socialism. We tried to provide those low-income groups on the farms of America an opportunity to buy houses.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Kentucky.

Mr. SPENCE. I understand the gentleman is supporting the housing bill in its entirety, and now asks for some help for the agricultural people. I am heartily in accord with his amendment, because I believe it is a meritorious amendment and will carry out the purpose of this section. I hope the Committee adopts the amendment.

Mr. JONES of Alabama. I thank the gentleman very much. I hope the Committee will adopt the amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I am delighted to yield to the gentleman from California.

Mr. HOLIFIELD. I just want to say I am sure that all of my friends from the city districts will be glad to go into the merits of the gentleman's amendment and support it, notwithstanding the fact that just recently many of the gentlemen from the South on the Democratic side, helped to scuttle the bill for the city interests. But we will stay with you, because it is right.

Mr. JONES of Alabama. I thank the gentleman.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would rather be free than housed.

Mr. COX. Mr. Chairman, I move to strike out the last word.



Mr. Chairman, we are a people of short memories, and I fear that on the pending bill we are doing considerable shallow baiting. Some weeks ago we were told that the matter of greatest importance was the strengthening of our military position in order that we might resist Russia in her encirclement of the world and the enslavement of all mankind.

In order to make that resistance possible and certain we spent billions of dollars. It was money we had to spend. We will be called upon to spend many more billions in this same undertaking and we will spend it. The Atlantic Pact we are compelled to approve. Then, if it is going to be of any value, the countries involved must be armed. In order to fulfill those engagements we have to keep our economy sound. That, I fear, we are not doing, for here at a time when public revenues are falling and public spending is increasing we are imposing strains upon the national economy which it cannot bear. Continued deficit financing is dangerous. I hear gentlemen say, with regard to this bill, that they think it is unsound, but because their constituents want it, they are going to give it their support. I would remind them that nearly 1,950 years ago a similar procedure was followed with regard to the case brought against the Holiest Man of Galilee. He had inflamed the wrath of the multitude because He had proclaimed that in the spiritual realm He was King of the Jews.

The judge before whom He was arraigned could find no fault with Him and to exculpate himself of all guilt he publicly washed his hands. But the Holy Man was delivered up to the rabble and after they nailed Him to the cross, the world realized that they had executed the Son of God.

Now, you gentlemen who assume this attitude, take your 30 pieces of silver in the expectation of getting housing projects in your district, and in that manner satisfy your constituents.

But mark you, my friends, it is something that you will be returning to buy a blood field in which to inter the remains of this proud and free Republic now being so badly mistreated if not betrayed.

Mr. Chairman, the membership of this House is made up, in large part, of young men, young men of great promise; young men who will become national figures if their constituents keep them here and they hold true to their ideals. I would like to say to you, my young friends, that the day you permit your judgment to be overthrown by political expediency, that day you put the death seal upon all possibility of your ever becoming more than a dissembling politician.

I regret that you are being put to this test, but it is something that you cannot avoid. In the years that have gone by I have seen it come to others. Some survived, but many in the grip of ambition for political advancement I saw crumble like seared leaves. It is my prayer that on this bill you may square your vote with your sense of what is right.

Mr. Chairman, I sympathize with my colleagues who have housing projects in their districts. I know something of the

pressure that is being put upon them. Pressure is being put upon me. Imagine what will happen if this bill becomes law and these projects multiply in your district and in the other congressional districts of this country. If that takes place, no freeman will again walk beneath the dome of this Capitol as a Member of the Congress of these United States.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Cox] has expired.

(Mr. COX asked and was given permission to revise and extend his remarks.)

Mr. FELLOWS. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I had not thought I would talk about this bill at all. First, I want to say I am against it. I voted to strike title II.

I do not know very much law, although I practiced in the country for a great many years, but I have interviewed many people in regard to the constitutional authority for this public housing bill. You may say that this is an indirect affair; that a State agency is going to do such and such a thing. But I have always understood that you cannot do indirectly what you cannot do directly. I do not know. You do not know. The Chairman of this Committee does not know what the constitutional authority for it is. But there is no use to discuss that now. There are a few things I would like to refer to.

In the first place, this bill is unfair and inequitable, if we assume that title II goes back into the bill.

In the second place, it has been said that all arguments against it have been blasted. That is not true. There is one that I will now mention. It came from the mouth of the distinguished chairman of this committee Mr. SPENCE when he opposed the Herter amendment, which was designed to take away the exemption, and to tax these bonds. The distinguished chairman of our committee said, "The power to tax is the power to destroy." Those were the words of Chief Justice Marshall. Of course, he was talking about that amendment. He forgot, however, that that applies with more force to the bill itself, which he sponsors.

I do not know who is an authority or what man I would go to to get the last word, but England's Mr. Bevin said that we are traveling on the road that Britain has taken. And Hon. James Byrnes, the former Secretary of State of this country, and United States Senator, said the other day in Virginia that we are going to become economic slaves if this welfare Truman program is not halted. Of course, he may not be authority. He was before he said it. Do you believe that, that if we follow down this road we are to become economic slaves? He said so. Bevin said so. Every thinking person in this land is fearful of it.

This country is founded on the principle of equality of opportunity. There are millions of people today not satisfied with that. They desire what I am

going to call equality of progress; and I will illustrate it. When I was 10 years old my friends had some hens. I wanted some hens. My father bought me 10. They had to be housed; he built a house for them. They had to live; he bought food for them. Then father fed them. They laid eggs. Father took them into the house and paid me for them; then I went in and ate every one of them. That is what I call equality of progress. Put the Government in father's shoes, and you have got the welfare state.

I have been told a few things in my life, and one of them was this, Mr. Chairman: Experience has taught its lesson; this is it: Give sparingly of power and put but little faith in anything except God and your own abilities. Every year on February 22 we set aside a day to read Washington's Farewell Address; then we lock it up and forget it until the next February 22 comes around. Washington warned us to resist with care the spirit of innovation upon the principles of the Constitution however specious the pretext, and pointed out the danger that assaults would be aimed at undermining what could not be directly overthrown.

And I say to you, until the human heart has been divorced from the love of power and the inclination to abuse it we must as carefully guard from government control our institutions and system as our forefathers guarded their individual rights when writing the Constitution. Intent to regulate and control will be denied by the feeble, but, given the power, the disposition will become apparent, and regulation and control will be practiced. It is one of those natural laws which lawmakers cannot repeal.

The CHAIRMAN. The time of the gentleman from Maine has expired.

(Mr. FELLOWS asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize, the same as you do, that we are facing a great issue, and I can appreciate the sincerity of those who oppose this bill; I can understand and appreciate the weight of their arguments, also. Mr. Chairman, I wish to call attention to just a few things that I believe are significant; I would like to have you think with me—and your thinking no doubt will be as good as and maybe a lot better than mine—along this line. Just think with me about a few salient features to which I shall direct your attention.

In the first place, the thing that makes a democracy great, the thing that makes a civilization great, is the home and the sanctity of the home. Our Federal Government has turned its attention toward helping in many directions; it has helped in regard to highways, in regard to schools, and in regard to social security; it has helped in many respects that we have not called communism nor socialism. Why should we call it such when the Federal Government helps people obtain a home, even if just a rented home? That is not socialism; that is not communism; that is making democracy work. It seems to me that we will



really make democracy work in this great country of ours by such methods. You know and I know that extreme radicalism cannot take hold among our people when they are well fed and well housed. By far the best weapon we can use to defeat all kinds of radicalism is to make democracy work, and democracy cannot work very well when any appreciable percentage of our people have to live in squalor, filth, degradation, and shame; it just is not possible.

Some say, "Let private industry do it; let the local governments do it." Mr. Chairman, we have had slum conditions and squalor conditions existing in this great country of ours for a hundred years or more. And we have not made many, if any, inroads on them. I say to you that unless we pass this bill, or some kind of similar legislation, in my judgment, we will have slums for another 100 years. Slums will not be eradicated by private industry, as it has demonstrated the fact that it is just about able to keep up in building homes with the increase of our population. If we were a small nation, it might be different; but we are such a large nation, and our population increase is so great, that private industry is just about able to keep up with those in the middle-income brackets and in the higher-income brackets in the building of homes for those people. The people in the very humble situations in life will never have decent homes, in my judgment, unless we initiate some kind of a program like this. It just will not happen.

Mr. Chairman, I love this country as much as any human being who ever breathed. I do not claim to love it more than you good people do, but I love the old Red, White, and Blue as much I'm certain. I love the Constitution. I love the democratic way of life. I would give my life any minute if necessary to preserve it.

I have not been much of a globe trotter in my life. I was over in France fighting in the trenches in World War I. I have been around America a little bit, although I imagine I have not traveled as much as most of you have. I am not much of a traveler. I spend most of my time working. I usually work from 7 o'clock in the morning until 10 or 11 at night. That is my daily routine. I do not travel much but I have been around over the country a little bit. As much as I love this great country of mine, as much as I would be willing to do for this country of mine, I am ashamed of one thing about it. You can scarcely go into any hamlet, into any town and especially you cannot go into any city in this great country of ours, this beloved Nation of ours, without being ashamed of yourself when you cross the railroad tracks. With all of the mines that we have in this country, with the far-flung forests we have in this country, with the cement, with the nails, with the building material things generally we have in this great country of ours, to permit such squalor conditions to exist I say is unfair to ourselves and unfair to the individuals who have to live under such conditions.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to conclude debate on the bill?

Mr. WHITTINGTON. Mr. Chairman, we have an amendment pending. I understand the gentleman is going to offer an amendment to clarify that. May we vote on that? Then I have one amendment I desire to offer and I would like to have 5 minutes on it.

Mr. SPENCE. I wonder if we cannot conclude debate on the bill at 4:30?

Mr. WHITTINGTON. May I ask the gentleman to withhold that for a minute? I have an amendment to offer.

Mr. SPENCE. The gentleman will have his time, if I move to close debate at 4:30.

Mr. WHITTINGTON. No; I would not do that.

Mr. SPENCE. I will make it 4:30. That will be plenty of time.

Mr. WHITTINGTON. All right.

The CHAIRMAN. Will the gentleman state his request?

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto conclude at 4:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Messrs. RICH and HAND objected.

Mr. HAYS of Arkansas. Mr. Chairman, I offer three clarifying amendments and ask unanimous consent that they be considered in connection with the Jones amendment, since they are related to it. I believe the Chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] is ready to accept these amendments.

The CHAIRMAN. Are they amendments to the Jones amendment?

Mr. HAYS of Arkansas. No; they are related to it, though, and grow out of the same problem.

The CHAIRMAN. Does the gentleman ask unanimous consent that these amendments be considered ahead of the Jones amendment?

Mr. HAYS of Arkansas. No; I am asking that they be considered with the Jones amendment, Mr. Chairman, if the gentleman from Alabama will accept them.

The CHAIRMAN. Does the gentleman ask unanimous consent that they be made part of the Jones amendment?

Mr. HAYS of Arkansas. That is right, Mr. Chairman, I do.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. Hays of Arkansas:

Pages 58 and 59, strike out the word "ten" and insert in lieu thereof the word "five" wherever it appears in section 403.

Page 59, line 6, after the word "practices", insert "or production."

Page 61, line 21, strike out the sentence beginning on line 21 extending through line 2 on page 62.

Mr. HAYS of Arkansas. Mr. Chairman, I have tried in these amendments to supplement and clarify the amendment offered by the gentleman from Alabama [Mr. JONES]. I am thoroughly in agreement with his amendment. I am grateful to the gentleman from Georgia [Mr. PACE], and the gentleman from North Carolina [Mr. COOLEY], and the gentleman from Wisconsin [Mr. MURRAY] for the consideration they have given to this question and for their help in preparing these amendments. Now, the Congress some time ago provided that if a farmer in the low-income group was not rehabilitated within 5 years, no further loans should be made. This brings the bill in line with that policy. In other words, these contributions or grants would not be continued for more than 5 years. The other is a clarifying amendment in that we add the words "or production" which makes it clear that the transition from cotton, for example, to more appropriate types of farming, shall be recognized and considered in relation to plans for improved housing; giving the farmer an adequate set-up in his farming operations.

I hope the amendments will be agreed to.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Did I understand the gentleman to say that it was a \$500 contribution made to those farmers who do not live on adequate farms?

Mr. HAYS of Arkansas. That provision is not affected, but I would like to say to the gentleman, since he has been interested in this title, that we retain grants only for owner occupants. Now, there is a sound reason for that, as the gentleman will agree.

Mr. COLE of Kansas. Yes; I agree.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. If I understand these amendments correctly, if they are adopted loans can then be made only to individuals owning the property which will be improved.

Mr. HAYS of Arkansas. That is correct.

Mr. JONES of Alabama. Mr. Chairman, if the gentleman will yield, the gentleman is correct in that it only applies to property owners.

Mr. COOLEY. I would like for that to be cleared up because of the fact that I have heard it suggested that under the provision as it is now the minimum could be borrowed by a tenant to build a house on property which was not owned by him. Now, that will not be possible.

\* Mr. JONES of Alabama. It never was possible, even under the provisions of section 404.

Mr. COOLEY. Certainly this clarifies the situation.

Mr. JONES of Alabama. The amendment I have offered certainly clarifies that because it will only be applicable to owner occupants.



Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kentucky.

Mr. SPENCE. I have no authority to commit the committee to the amendment. I see no objection to the amendment. I think it is a very meritorious amendment. I hope they will both be considered and voted upon.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES] as modified by the amendments offered by the gentleman from Arkansas [Mr. HAYS]. The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 55, strike out title IV, "Farm Housing," beginning in line 15 of page 55 and running down to and including line 5 on page 72.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. WHITTINGTON. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 4:35.

Mr. WOLCOTT. At the present time I am constrained to object, Mr. Chairman, and I do object.

Mr. Chairman, let me suggest a happy compromise on this situation. We all want to get through with this bill tonight, and we want to have assurance that we do get through with it. In view of the fact that all the provisions of the bill have not been read, the gentleman of course cannot offer a motion to cut off debate on the entire bill. Therefore, I suggest that the gentleman ask unanimous consent that the remainder of the bill be considered as read, and that debate on the bill be limited to 55 minutes. I think that would be perfectly all right.

Mr. SPENCE. I will put it another way:

Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point, and that the debate be concluded at 5 o'clock.

Mr. WOLCOTT. I object to that.

Mr. SPENCE. Then, Mr. Chairman, I move that all debate on the bill and all amendments thereto conclude at 5 minutes past 5, the remainder of the bill to be considered as read and be open to amendment at any point.

Mr. HAND. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HAND. The motion is not in order. The gentleman from Kentucky does not have the floor.

Mr. RAYBURN. The gentleman from Mississippi [Mr. WHITTINGTON] yielded to the gentleman from Kentucky.

The CHAIRMAN. The gentleman from Mississippi yielded and the gentleman from Kentucky is not out of order.

Mr. KEEFE. Mr. Chairman, I make a point of order against the motion be-

cause the bill has not yet been read in its entirety.

The CHAIRMAN. The Chair must sustain the point of order because the remainder of the bill has not been read.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The remainder of the bill is as follows:

#### TITLE V—MISCELLANEOUS PROVISIONS

##### ADVISORY COMMITTEES

SEC. 51. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18, United States Code.

##### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 502. (a) The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public-housing agency and the Public Housing Administration in which the public-housing agency agrees to borrow from the Public Housing Administration and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to

provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public-housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than 18 months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations, with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

##### NATIONAL HOUSING COUNCIL

SEC. 503. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

##### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 504. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

##### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 505. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

##### CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 506. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project



in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### CENSUS OF HOUSING

SEC. 507. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### ACT CONTROLLING

SEC. 508. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

#### SEPARABILITY

SEC. 509. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. SPENCE. Mr. Chairman, I now renew my motion.

The motion was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I have made this motion to strike out title V, formerly title IV, with respect to farm housing because it has no place in this or any other bill. The provisions for farm housing are unnecessary, unsound, impractical and wholly unworkable. They are discriminatory to the last degree. They cover, as the report states, the cases of self-sustaining farmers, farmers not self-sustaining, and they cover those who can never hope to be self-sustaining. It is a sop to farmers and we might as well admit it. The title is put in this bill in order to gain votes for the bill, and the sooner it is taken out, the better.

Mr. Chairman, I am in sympathy with all efforts to aid farmers to obtain and to own a farm. We have passed progres-

sive legislation and we have in my judgment generally adequate farm-loan legislation. We have provisions for loans and any farmer who owns a farm who is entitled to credit can get credit from the Federal land bank. A tenant farmer who wants to become an owner under the Jones-Bankhead Act can obtain a loan, and purchase a farm. He can also obtain private loans if he is entitled to credit.

I have supported farm legislation. Our farm legislation is in danger. There are proposals that go entirely too far. This is among the first of them, and it should be stricken down.

While I supported farm legislation I have supported legislation for the home owner and for the city dwellers. I have supported it by billions of credit to enable city dwellers to obtain loans to repair their homes and to pay off the mortgages on their homes as well as to build homes. I have supported it by the billions in order to enable people living in the towns to get secured loans to borrow up to 70 percent and 80 percent and 90 percent, and whether the citizen lives in the country or in the town, I want the Federal Government to go the limit to enable a man to acquire his farm or to acquire his home, but I do not favor subsidized housing whereby my constituent across the street gets the Government to pay one-half of his rent, while the man on the other side of the street has to pay twice the rent for cheaper housing. It is discriminatory, and I therefore voted to strike title II for public housing from the bill. The title for farm housing is equally discriminatory, because it makes provision for grants; it makes provision for cancellation of loans. It provides for discretion as to grants and loans. Whatever you say about the provisions that have been made for farmers and about the provisions made for home owners, there is generally no discrimination. Every man, whether he raises a hundred bushels of wheat or a thousand bushels of wheat, gets the same price. Every tenant in this country, every landowner gets the same price for his product, under our price supports. As long as we have a high protective tariff, I am not to be frightened by the term "subsidy," because, after all, a subsidy for the farmer is nothing more than a tariff in reverse. I want to provide for our farms and our homes. Wherever there are loans I want them to be sound, and available alike to all.

According to the Comptroller General of the United States, Hon. Lindsay Warren, as I recall, there are some 30 odd Government agencies that are making loans to the city dwellers and farmers of our country. I have supported all sound legislation. But when housing discriminates against one citizen in favor of another, there will be complaints, and dissatisfaction.

We need to repair our houses in the cities. We have not been able to get materials or labor since the war, but we have made progress. The farmers of the United States today are prosperous. The workers in the United States today enjoy the highest standard of living in all human history. In my judgment, having stricken out title II, we should strike title V for farm housing. But

whether it is stricken or not, this section with respect to farm housing ought to have been considered by the Committee on Agriculture. You heard the distinguished chairman of this committee, the gentleman from Kentucky [Mr. SPENCE] accept not one amendment but two or three amendments, because he said, as I understood him, they were offered by friends of the bill and he accepted them, in his own language, and concluded in an effort to secure votes.

It is time to think clearly. It is time to reason. We ought not adopt every proposal under the guise that it is aid to the cities or aid to the countryside. We should support only sound housing and farm legislation.

I trust that my amendment to strike the title on farm housing will be adopted.

I extend to say that I favor Federal aid for slum clearance, and while I believe that the slum-clearance provisions of the pending bill can be clarified and should be amended to reduce the contribution by the Federal Government, nevertheless I would support a constructive bill for slum clearance. I also believe that slum clearance should be prevented by better health and police regulations by the cities, for good buildings, if neglected, will sooner or later become slums. The best way to promote slum clearance is to prevent slum clearance, and the solution of the problem is largely within the power of the municipalities. It is true that mayors advocate Federal legislation for slum clearance. Unfortunately, however, they do not at the same time suggest that taxes be levied for paying for appropriations for Federal slum clearance.

As I have stated, I oppose the so-called low-rent public housing. The title might better be "high-cost public housing at low rentals." I believe that housing can be better provided by private enterprise; that it can be more cheaply constructed by private enterprise, and therefore constructed for cheaper rents. Private housing will support schools and support other municipal activities. All will pay the same rental and there will be no discrimination. I cannot support legislation that will provide for paying one-half the rents of one-sixth of the rental population of the United States. I cannot support legislation that will enable one citizen to rent a Federal housing unit at \$40 a month with one-half to be paid by the Federal Government and the other one-half by the citizen, where across the street in the same neighborhood a cheaper unit is rented for the same \$40 a month to another citizen.

I repeat that I have supported legislation to enable home owners to redeem their homes and to improve them. I have supported legislation for insuring loans to individuals to build homes. I have supported the FHA legislation. I have supported billions and billions of Federal credit to enable a citizen to acquire or to keep his home. I want to encourage individual home ownership in the city just as I want to encourage home ownership of farms in the country. I believe that slums will be prevented by loans to citizens that will enable them to construct, generally, individual units



rather than by providing for large units with many families in each unit and thus promoting congestion of population.

Generally the farmers of the United States are in better financial condition than they have been since the War Between the States. I believe that pending provision for farm housing is unfair, unsound, and discriminatory. It is inserted to secure votes for farming areas. We are asked to reduce public expenditures and to eliminate unnecessary bureaus. The Farm Credit Administration, including the Federal Land Bank System and including the Farm Home Administration, is amply qualified to make loans to all deserving farmers. We provide for production loans. If any of the laws are inadequate they should be considered and they should be amended. There should not be a new bureau with a new administration at an additional expense to the taxpayer. Moreover, the pending title contemplates grants, contemplates promoting farms that are marginal, and would provide for discriminations by cancelling loans, by making a grant to one farmer and not making it to another. Patriotic Americans believe in equal treatment. I repeat that under existing laws, when the farmers are more prosperous than ever before, generally they can obtain all needed loans, and they are not begging for grants, for the administration of grants involves the discretion of a bureau in Washington that will further regiment farming.

While I have supported farm legislation, and while I have supported legislation to aid city dwellers, I believe that the pending bill goes too far in public housing and goes entirely too far in farm housing. I voted to eliminate public housing and I now move to strike out the farm housing. I believe that home ownership on the farm and in the city will be promoted by encouraging private enterprise to provide for low rentals and by encouraging farmers to own their own lands.

I want to strengthen and not weaken Federal legislation for farmers. I want all to be treated alike. There should be no discrimination. Farmers are not beggars. They do not want grants. They want a reasonable price for their products. They will improve their farms if they can secure a reasonable return for their crops.

I want to encourage the clearing of slums by clearing and by preventing them. I want to aid Americans to acquire and build their own homes in the city. Home ownership in the municipality and home ownership in the countryside will promote the American way of life. I oppose the pending bill for public housing and for farm housing because the proposals are unsound, unnecessary, and discriminatory, at a time when the people of the United States, in the country and in the city, are making more improvements in housing than ever before in history.

I conclude by saying that the pending provision for farm housing is a sop to secure farm votes and that I can best describe the title for farm housing by saying that it is molasses to catch flies.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has expired.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

Mr. COOLEY. Mr. Chairman, I desire recognition in opposition to the amendment.

The CHAIRMAN. The Chair regrets to inform the gentleman that he was not standing at the time the motion was agreed to.

Mr. COOLEY. That was to limit debate, but I did not understand that the time would be restricted only to those who happened to be standing.

The CHAIRMAN. That is the usual procedure.

Mr. SPENCE. How much time was reserved to the committee?

The CHAIRMAN. The motion as offered by the gentleman did not reserve any time for the committee.

Mr. MARTIN of Massachusetts. Could I get my name on that list?

The CHAIRMAN. The name of the gentleman from Massachusetts is on the list.

Mr. COOLEY. Well, Mr. Chairman, do I understand that the chairman of the Committee on Banking and Currency cannot be recognized simply because he happened not to be standing?

The CHAIRMAN. The Chair will divide the time as best he can. The usual procedure is to divide the time among those who were standing at the time the agreement was made.

Mr. COOLEY. Certainly Members were not notified that the time would be restricted to those who were standing.

The CHAIRMAN. All Members heard the motion, and that is the usual procedure.

Mr. SPENCE. Mr. Chairman, I was standing at the time the motion was made.

The CHAIRMAN. The name of the gentleman from Kentucky will be added to the list.

Mr. COLE of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Kansas. Will the chairman read the names of those who were standing, so that we may know?

Mr. COOLEY. Mr. Chairman, will the Chairman read the names of those gentlemen who were standing at the time the limitation of debate was agreed upon, in order that we may be informed?

The CHAIRMAN. The Chair will be very glad to do so. The Chair has listed the names of the following gentlemen: MESSRS. HAYS of Ohio, CASE of New Jersey, MARCANTONIO, LANHAM, HALLECK, WOLCOTT, FORD, SIMPSON of Illinois, MULTER, NICHOLSON, SABATH, MILLER of Nebraska, HAND, TOWE, DONDERO, KEEFE, MANSFIELD, MARTIN of Massachusetts, SHAFER, GAVIN, and SPENCE.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. I have an amendment at the desk; the Chairman did not read my name.

The CHAIRMAN. Was the gentleman standing?

Mr. JENSEN. I do not think I was.

The CHAIRMAN. The gentleman is out of order.

Mr. JENSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. The Chair did not say that those who wanted to speak should rise; and I make the point of order that that is unparliamentary. I trust the Chair will add my name as he did that of the chairman of the committee.

The CHAIRMAN. The Chair will attempt to give the gentleman an opportunity to speak on his amendment.

Mr. SASSCER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SASSCER. I was standing with the gentleman from Kentucky.

The CHAIRMAN. If the gentleman was standing his name will be added.

Mr. RABAUT. Mr. Chairman, the same is true in my case.

The CHAIRMAN. If the gentleman was standing, his name will be added.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to assign my time to the gentleman from North Carolina [Mr. COOLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COOLEY. Mr. Chairman, I merely wish to say in regard to this section that members of the Committee on Agriculture have conferred with members of the Committee on Banking and Currency and have agreed upon certain amendments, the amendments which were adopted a short while ago. By their adoption I believe the bill has been substantially improved.

With regard to the speech made by the gentleman from Mississippi, and I appreciate the fact that he feels that this legislation should have been considered by the Committee on Agriculture, and I concur in his views in that regard, the fact is, regardless of why this provision was inserted in this bill, we know that from this section will come the only relief and the only aid and assistance which is provided for the rural sections of America.

I think it is to be regretted that title II was dropped from the bill. I am for title II and on the roll call I will vote in favor of it; but I think it is to be regretted that we would seek on the floor here to strike out the only provision of the bill which could mean anything to a rural district. If you strike this provision out of the bill there will, of course, be very few, and certainly no persuasive, reasons why a man representing a rural district should support the measure. I want to support the bill, but I want to support it with this provision in it.



Let me remind you that all of the slums of America are not to be found in the cities, by any means. I have had a public housing authority in my district; I have a colored project and a white project in this city of Raleigh, and they have been operated properly and satisfactorily in every respect as far as my information goes, and they have relieved the slum conditions in that city at least in some degree.

I hope this amendment will be defeated and that this title will be retained in the bill. After all, unfortunately, we have slums all over America—in the cities and in the country and there is a desperate need for better housing and relief should be afforded where the need is the greatest. With the amendments which have now been accepted, this section of the bill will bring some relief to the rural areas of America and it is difficult for me to understand how the gentleman from Mississippi can oppose this particular part of the bill. Certainly, the need in his State is great—perhaps greater than in any other State in the Union but the need is great everywhere in America.

I do not believe that the money which will be spent in the proper prosecution of this program will disastrously or adversely affect private enterprise, banks, insurance companies, and building and loan associations nor will it affect adversely or disastrously the owners of privately owned properties. When the head of a family is able to earn enough money to become a home owner, he will have to vacate the building which will be constructed by the money therein provided. Certainly those who are now living in slums are not eligible for assistance at the hands of banks, insurance companies and building and loan associations and it is difficult for me to understand why there is so much opposition to this measure on the part of the businessmen who are operating these enterprises.

When we get into the House, I hope that the amendment to strike out section II will be defeated. In the meantime, I hope that the pending amendment will be defeated and finally that this bill will be enacted.

The CHAIRMAN. The question is on the amendment.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand, there is no other amendment pending and I imagine Members desire to express themselves on this one.

The CHAIRMAN. The Chair, in order to clarify the situation, would like to inquire of the Members whose names were read a moment ago, which of them intend to offer amendments.

Mr. MARCANTONIO. Mr. Chairman, I have an amendment.

Mr. CASE of New Jersey. Mr. Chairman, I shall offer an amendment.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent that the time allotted to me be transferred to the gentleman from Iowa [Mr. JENSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAND. Mr. Chairman, I have an amendment at the Clerk's desk which is in the nature of a substitute for that of the gentleman from Mississippi. It strikes out of section 402 one-third of the amount that the gentleman is seeking to strike. Is it in order to offer that amendment at this particular time?

The CHAIRMAN. The proposed amendment would be a perfecting one rather than a substitute. Does the gentleman offer it as a perfecting amendment?

Mr. HAND. I will be glad to do so.

The Clerk read as follows:

Amendment offered by Mr. HAND: On page 60, line 17, strike out all of section 404 down to line 3 on page 62.

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, I necessarily will have to be very brief, but I do not think it will take very long to discuss this amendment. I have a good deal of sympathy for the amendment offered by the gentleman from Mississippi, but I would not be prepared to go quite as far as he does with his amendment.

If you will refer to the first two sections of the farm housing provisions, you will find one establishes loans for housing and buildings on adequate farms, and the other for loans for housing and buildings on potentially adequate farms. We have certainly gone too far when we add one more section, 404, which provides for loans for farms that are not adequate and probably never will be, and provide not only loans but add grants. Five hundred dollars can be a completely free gift under the "outhouse" amendment, if I may say so, for the improvement of toilets, the purchase of screens, and such odds and ends of minor repairs. That is going just a little bit too far, in my opinion, and makes the bill very unpalatable to those like myself who are prepared to support a public housing bill. That is not a public housing measure. That is a piece of political pap, and I think that it, at least, should be stricken from this bill. As a matter of fact, it is not designed to aid tenants but is designed to aid landlords and give them Government money to make repairs for tenants which ought to be made by the landlords themselves out of their own pockets.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Indiana.

Mr. HALLECK. I think the gentleman's amendment should be adopted.

Mr. HAND. I thank the gentleman.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I agree with the gentleman, and I come from a so-called

farm State. I thoroughly agree with the gentleman's amendment.

Mr. HAND. I thank the gentleman, and I think I can speak with very good grace because my own district is semi-agricultural in nature.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that we have Government agencies trying to get these people out of areas which cannot be made adequate and now we are setting up an agency to keep them on?

Mr. HAND. The gentleman is quite correct, and I thank him.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from New Jersey [Mr. HAND].

The question was taken; and on a division (demanded by Mr. HAND) there were—ayes 105, noes 121.

So the perfecting amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 126, noes 144.

Mr. WHITTINGTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITTINGTON and Mr. BUCHANAN.

The Committee again divided; and the tellers reported that there were—ayes 146, noes 162.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

(By unanimous consent, the time allotted to Mr. MARTIN of Massachusetts, Mr. KEEFE, Mr. NICHOLSON, and Mr. MULTER was granted to Mr. MARCANTONIO.)

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 75, after the period on line 8, add a new section:

"SEC. 503. Prohibition against discrimination: No person possessing all other qualifications which are or may be prescribed by law shall be disqualified for admission, rental, or tenancy through discrimination by segregation or otherwise, in any housing developed under this act, by reason of the race, color, creed, or national origin of the person otherwise qualified; and any officer or other person charged with any duty in the admission, rental, or tenancy of projects provided for under this act who shall exclude or discriminate against any citizen for the cause aforesaid shall, on conviction thereof, be deemed guilty of a misdemeanor and be fined not more than \$5,000.

"Every contract or commitment entered into by the Government or any agency or instrumentality thereof as authorized herein with regard to any housing provided for in this act shall contain a provision prohibiting discrimination by reason of race, color, creed, or national origin, and shall carry a warning of the penalty of this act for violation thereof."

Mr. MARCANTONIO. Mr. Chairman, this amendment is offered at a time when the struggle of the Negro people for



full equality has reached a crisis. To those who say that there is no discrimination or segregation in public housing or in any other housing financed by the Government, I refer them to the memorandum submitted to the President by Mr. Thurgood Marshall, of the NAACP, which is found on page 223 of the hearings. It tells the sordid and tragic story of the denial of housing to American citizens because of their color and because of their national origin.

Mr. Chairman, I have a pretty good idea of the arguments that have been circulated against my amendment. Yesterday we witnessed the spectacle of people who have been preaching civil rights voting against them and the artificial excuse that was offered is that this kind of amendment will sink the bill. Personally I do not believe that. The same argument was made in the Senate and on the final roll call 57 voted for the housing bill and 13 against. So that if this amendment had been adopted, there would have been ample votes to pass the housing legislation with an antidiscrimination provision. It is my considered judgment that if this amendment is adopted, for those that you will lose you will make up by virtue of the amendment. This amendment strengthens the bill. You cannot honestly argue against civil rights, an issue so fundamental, from an opportunistic standpoint, for here we do not only deny civil rights to the Negro people and other racial minorities, but we punish them more, we deny them housing. The experience with public housing and FHA housing bears that out.

In my own city of New York we have an FHA project, Leviton project, where Negroes are absolutely barred and nothing is being done about it by our Federal, State and city governments.

Further, to those who want to use the opportunistic argument, let me tell them that you have no right to use housing against civil rights. Housing and civil rights are an integral part of each other. Housing is advanced in the interest of the general welfare and in the interest of strengthening democracy. When you separate civil rights from housing you weaken that general welfare. You weaken the democracy that you pretend to strengthen. Remember, here you launch a 40-year program whereby you deny equal opportunity to housing to 14,000,000 American citizens and to other racial minorities. This attempt to separate civil rights from housing is dishonest political opportunism.

Another opportunistic argument that is advanced is, "Well, we will not do it now. We will do it later on." "We will do it on FHA or on some other bill." I have heard that argument too often. I heard it in connection with my amendment to the 70-group Air Force and in connection with the \$16,000,000,000 Military Establishment bill, and to every other effort I have made to have civil-rights legislation passed by this House. It is the same argument every time an effort is made for civil rights. But you did not give that argument to the Negro people last election. You told them the Eighty-first Congress would enact civil rights. What has happened here?

Whenever we have an opportunity to enact civil rights we are given some pretext or another, so that the Eighty-first Congress, as far as civil rights is concerned, has become the Mañana Club—tomorrow but not today. You go back and tell the Negro people and other minorities who are seeking equality, "Not now but tomorrow."

Every Member must vote on this proposition according to the best dictates of his conscience and in keeping with the promises that he or she made to his or her constituents. Vote along those lines and you have no other alternative but to support this amendment.

I say that we must have both civil rights and housing; they are indivisible in the defense of democracy. Housing with discrimination negates the stated objective of this bill. Such a fight for both can be won if the leadership wants to make the fight, just as the fight was made in the final hours on the Wood bill. We were told that we could not win, but we did win, because we did fight, even though the fighting began when it was almost too late. Stand up now and we can get housing in accordance with the best traditions of American democracy. This depends on your will to fight for it. The responsibility rests on the majority. The responsibility rests on every single Member. Do we want housing with Jim Crow? I say "No." I say that the issue cannot be evaded. It exists in the very marrow of the bone of this bill. I say the American people want housing with the full guaranty of equality.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. BUCHANAN. Mr. Chairman, the issue raised by this amendment is very clear. The issue is whether we shall have an effective national-housing program offering decent shelter for underprivileged low-income families of every race, creed, or color, or whether we shall sacrifice the opportunity for such a program for an empty prohibition against racial segregation in low-rent public housing.

The facts of this issue also are very clear. The facts are that the present low-rent public housing program, small as it is, represents the only effective step which has been taken in the history of this Nation to provide decent livable homes for underprivileged low-income Negro families. Today, approximately 65,000 Negro families are living in the low-rent public housing projects assisted under the United States Housing Act of 1937. This represents approximately 35 percent of the accommodations provided in those projects. In the South, some 49 percent of the public-housing units are occupied by low-income Negro families. The record shows conclusively that low-income Negro families have shared equitably in the benefits of the present low-rent housing program, on the basis of need and in proportion to the relatively lower incomes and worse housing conditions which are the lot of too many Negroes in this country.

Mr. Chairman, the new low-rent public housing which would be assisted under the pending bill would enlarge the

supply of decent shelter for underprivileged low-income families by more than four times. That housing would be made available on the basis of need, just as under the existing program. Hundreds of cities and towns throughout the country are ready and anxious to participate in this program in order to relieve their slum-ridden families of intolerable living conditions. Some 357 communities filed preliminary applications for 375,000 units of low-rent housing more than 3 years ago, even though there was no available authorization for additional public housing at that time.

Among these were 116 communities in the South and a high percentage of their proposed projects were for occupancy by low-income Negro families. But let me ask the members of this committee one question: Would these southern communities continue to seek for these projects if this amendment is adopted and if a requirement for racial nonsegregation were imposed on every project assisted under this program?

The keystone of the public housing program under H. R. 4009 is local autonomy. No projects may be undertaken in any community except upon the initiative of its local city council or other governing body. Do the members of the committee believe that southern communities would participate if racial nonsegregation were made the requirement for every project? Do they believe that the representatives of those southern communities in this body, most of whom now support this legislation, would continue to do so if this amendment were adopted?

I want to make my own position very clear. I am personally opposed to racial segregation in housing. I know that many of my colleagues from the North and West share my views on that matter. I believe that we must progress steadily toward racial equality not only in housing but in all other aspects of our national life, and not only in the North and West but also in the South. But I am also confident that my colleagues share my belief that we won't aid our progress by depriving low-income Negro families in every section of the country of their best hope for decent homes.

Mr. Chairman, we should look closely at some of the angles in this amendment. Without impugning anyone's motives or sincerity, I must point out that this amendment is the favorite secret weapon of the real estate lobby to kill this bill. That issue was well aired in the other body when a similar amendment was voted down after extensive debate, and I remind the members of this committee that we voted down a comparable proposition yesterday by a teller vote of 168 to 130.

What is at stake here is whether we shall have an effective public housing program, which will be of broad benefit to underprivileged families, white and Negro alike, or whether we shall have some empty verbiage but no houses. I challenge the Members on the other side of the aisle who will support this amendment to make clear whether they do so in support of an effective housing program, or in an effort to kill the housing



bill and at the same time gain a supposed political advantage by giving lip-service to nonsegregation.

Personally I am for a housing program that will benefit underprivileged families of every race, creed or color, in every section of the country. I trust the Committee will reject this amendment.

Mr. POWELL. Mr. Chairman, I rise in support of this amendment. I wish to warn this body that the Negro people will no longer stand for empty civil rights platforms.

The present FHA is a disgrace. It is manned by a leadership approved by our civil rights President which refuses in its own words to take a stand on civil rights in housing.

Take the Levittown development in New York. Built by Federal funds, it is for Caucasians only. The FHA told members of the Banking and Currency Committee that they had stopped this practice. Mr. Charles Abrams, of New York City, who I respect, told a freshman Manhattan Congressman that FHA had changed. This is a lie. FHA has not changed. They are supporting Jim Crow in New York.

I refer you to the following clippings and statement:

[From the Pittsburgh (Pa.) Courier of June 11, 1949]

#### WHITE LEVITTOWN CLAUSE REMOVED

Removal of a Caucasians only clause from the rental leases of Levittown, a Nassau County housing project, was reported last week by the committee to end discrimination in Levittown.

Confirmation of the successful fight to secure elimination of the ban was later attributed to William Levitt, a representative of the firm which built the Long Island project, who is quoted as having asserted that there remained no reason to continue the anti-Negro stipulation.

It was reported, however, that the committee will carry forward its plans to forward a delegation to Washington for the purpose of urging the Federal Housing Administration to take a stand on the issue of granting aid to realtors who insert racially discriminatory clauses in rental contracts.

[From the New York Age of June 25, 1949]

#### NO CHANGE IN LEVITTOWN POLICY SEEN AS INCIDENTS FLARE UP

HEMPSTEAD, LONG ISLAND.—It was revealed in word and deed here last week that the Levittown housing project is lily-white and that it plans to remain that way—removal of a clause in the leases and deeds to homes in the project notwithstanding.

Several Negro veterans who believed that owner William Levitt of the project was sincere when he removed the restrictive clause from the leases found out differently when they tried to arrange housing. Mrs. Myrtle Archer, who tried to purchase a home for her son, a veteran of more than 2 years in the south Pacific with the Navy, was asked to leave the real estate offices because "We do not sell to Negroes."

Three veterans, Leroy Seely, Wilmar Manley, and Arthur Lucine, were denied interviews and informed that members of their race are not welcome to Levittown.

Herbert Hill of the NAACP and Lee Feltman of the American-Jewish Congress were forcibly barred from the builder's office when they attempted to protest the discrimination.

On the other hand, white veterans applying for homes were served refreshments at Levitt's expense and the first couple waiting in line were treated to tickets to "South Pacific."

[From the New York Amsterdam News of June 11, 1949]

#### NO ROOM FOR NEGROES IN LEVITTOWN PROJECT

WASHINGTON, D. C.—A committee of 10 delegates, protesting Jim Crow at Levittown on Long Island, heard Franklin Richards, Federal Housing Authority Commissioner, say that FHA aid would continue to be given Levittown.

After hearing the stories of Levitt's refusal to sell homes to Negro veterans, Richards said the FHA has no authority to tell Levitt how he can run his business. Although Richards sympathized with the committee to end discrimination in Levittown, and he said nothing could be done.

Four Negroes were turned down flatly last Monday when they sought to purchase homes in Levittown, a low-cost real-estate development on Long Island.

William J. Levitt, developer of the project, contends that his company reserves the right to refuse to sell their property to Negroes. This statement was given out Monday at his office, following a spirited demonstration against his lily-white policy. Levitt refused to see or to talk directly to reporters. Veterans are given preference to buy homes in the development.

Levitt's attorney, Ira Goldman, who assisted in booting out the four Negroes who tried to buy homes was in to reporters "depending on what you want to talk to me about."

The four Negroes who appeared early Monday morning to join the line which formed on the village green in response to an intensive sales campaign over the radio were told they could not purchase homes in Levittown. One woman, Mrs. Myrtle Archer, mother of a vet, was asked by Goldman, "Are you a Negro?" When she said she was, Goldman said, "Then I am afraid you'll have to leave. We do not sell to Negroes."

Mrs. Archer's son, Donald, served in the Navy. She was accompanied by Arthur Frankel, also a veteran, who lives in Levittown and is a member of the Committee to End Discrimination in Levittown.

The other three, Leroy Seely, Wilmer Manley, and Arthur Lucine, were not even permitted to enter the sales office. Goldman called Nassau County police to keep order when Frankel halted the sales to make a speech to the lined up vets about bringing democracy to Levittown.

Inquiries in Levittown revealed that in a case similar to that of the Metropolitan Life Insurance Co.'s Stuyvesant Town, a sample poll taken of the residents showed that 61 percent of them favored having Negroes buy houses. Also like Stuyvesant Town, the project is subsidized by public funds, the Federal Housing Authority guaranteeing the loans.

It was also discovered that Levitt & Sons, the builders of more than 8,000 low-cost homes, have another smaller project, near Manhasset where the policy is for gentiles only.

Although no action has been taken against the group in Levittown, which has been protesting against discrimination, instances were reported where some of the tenants who pay rent instead of buying their houses, were denied leases and subjected to the strictest regulations in an effort to force them to leave.

A committee, made up of representatives of B'nai B'rith, the NAACP, the American Veterans Committee, and the American Labor Party, went to Washington Tuesday to protest the discrimination to the FHA.

[From the Chicago Defender of June 18, 1949]

#### END OF BAN ON NEW HOUSING PROVES FALSE—DELEGATION ACTS

NEW YORK.—Believing that William J. Levitt really meant what he said when he publicly announced removal of the "Caucasians only" clause from his Long Island

building development, Mrs. Myrtle Archer walked into the sales office last week only to be called aside by Levitt's lawyer.

"I have to ask you one question," he said.

"Are you a Negro?"

"Yes, I am," was the reply.

"I'm afraid you'll have to leave. We will not sell to Negroes."

"Is it just because of my color?"

"Let's not go into that. It will be painful for both of us. We can shelter whoever we want. We will not shelter Negroes."

#### NOT ALLOWED TO ENTER

Three Negro veterans waiting in line outside the office were not allowed to enter.

When Herbert Hill of the NAACP and Lee Feltman of the American Jewish Congress attempted to protest discrimination shown they were forcibly barred from the office.

On the following day a score of people representing organizations in Levittown community went to Washington and demanded Commissioner Richards of Federal Housing Committee to issue a definite ruling on restrictive covenants. They asked him to withdraw FHA support from Levitt's project until he ended discrimination against Negro veterans.

Mrs. Feldon, white resident of Levittown and member of Committee Against Racial Discrimination, headed the delegation to Washington. She told a Defender reporter that the group received a favorable reply but not a decisive commitment on the definite ruling issue.

Mrs. Feldon added that although the "FHA has no feeling one way or the other about racial discrimination," the delegation left Commissioner Richards' office with high hopes.

The Defender reporter attempted to talk with Mr. Levitt over the phone but was told by his secretary that he was not receiving any calls.

#### STATEMENT

Franklin Richards, FHA Commissioner, told Lem Graves, Washington correspondent of the Pittsburgh Courier, last February that the FHA had no authority to prevent racial discrimination in leasing or selling homes in the Levittown development after the developers built their houses. FHA did deny an application from Levitt Brothers for loan insurance which included a racially restrictive covenant. However, when the covenant was stricken from the loan application, FHA approved the guaranty and the developers then proceeded to reject applications of Negroes.

Mr. TOWE. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TOWE. Mr. Chairman, one of the stated purposes of this bill is the realization, as soon as possible, of the goal to a decent home and suitable living environment for every American family. I include in the definition that I would apply to the words "American family" those of Negro origin.

This entire legislation is a social measure. It can hardly be called anything else. I say to you it is extremely unfair and inequitable to say to the 14,000,000 Negroes of this country, or as many of them as pay taxes, "You shall contribute to the cost of public housing but you will not be guaranteed equal or partial participation in the program. Those who profess to be disturbed about segregation of Negroes and discrimination against them especially in social-advancement



programs should support the pending amendment.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TOWE] has expired.

The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, on that I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. PATMAN and Mr. MARCANTONIO to act as tellers.

The Committee divided; and the tellers reported that there were—ayes 122, noes 173.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of New Jersey:

On page 84, after line 4, insert the following new section:

"510. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsection to section 15:

"(7) The authority shall not make any contract for loans (other than preliminary loans) or for annual contributions with respect to any low-rent housing project initiated after March 1, 1949, unless the mayor or other chief executive officer of the locality involved has certified that all State and local codes and regulations relating to land use and to standards of health, sanitation, and safety for dwelling accommodations are being effectively enforced to the maximum practicable extent throughout the community."

Renumber sections 510 and 511 as 511 and 512, respectively.

Mr. CASE of New Jersey. Mr. Chairman, the purpose of my amendment is very simple. We are all concerned that the whole problem be solved. One very important and necessary aspect of the problem of poor housing is to get the best possible enforcement of existing health and other regulations by the localities concerned. My amendment would require the mayor or chief executive officer of any locality, before a housing project is initiated there, to certify that, to the maximum extent practicable, local codes and regulations relating to health and other matters are being effectively enforced.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CASE].

The question was taken; and on a division (demanded by Mr. CASE of New Jersey) there were—ayes 43, noes 112.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina: On page 84, at the end of line 4, insert the following new sentence: "The Administrator shall not enter into any contract of financial assistance under title I of this act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of ap-

propriation was transmitted pursuant to law and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body."

Mr. McMILLAN of South Carolina. Mr. Chairman, the purpose of this amendment is to assure that no funds available under the slum-clearance provision of this act shall be used for projects under the Redevelopment Act of 1945 for the District of Columbia. We at that time passed a bill here requesting \$20,000,000 for slum clearance in the District. We have not received an appropriation to carry out the provisions of this act up to the present time.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Kentucky.

Mr. SPENCE. There is no objection to the amendment offered by the distinguished gentleman, and I think the committee will accept it. It is a meritorious amendment.

Mr. McMILLAN of South Carolina. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

The amendment was agreed to.

Mr. DAVENPORT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVENPORT. Mr. Chairman, I should like to call to the attention of the House today the work of one of our colleagues, the esteemed Congressman from the Thirty-second District of Pennsylvania, HERMAN P. EBERHARTER. In breaking a legislative bottleneck heretofore beyond the general control of the House of Representatives his efforts have made possible the discussion today of housing legislation. For it was Congressman EBERHARTER who spearheaded a drive to change the rules of the House Rules Committee which often prevented the House as a whole from considering legislation in question.

I should like to quote from an editorial in the Pittsburgh Post-Gazette of June 18, 1949, regarding the effect of my esteemed colleague's work in changing the rules:

#### HOUSING BOTTLENECK BROKEN

A decision by the House Rules Committee to bring the administration's housing bill to the floor is the first important demonstration of how last winter's amendment to the House rules breaks a legislative bottleneck.

Until the rules were changed, the House Rules Committee could, and frequently did, prevent the House as a whole from considering legislation which had popular support. Housing legislation, for instance, had been bottled up by the Rules Committee in two successive Congresses.

The rules change permits the chairman of any committee to request a vote to call any bill onto the floor after it has been within the committee's jurisdiction for a prescribed period. Knowing that was to be done, the Rules Committee reluctantly reported the housing bill out, so that it can set the limits on debate and, in general, try to control the situation on the floor.

Thus the committee's decision does not mean that the bill has won greater support within the committee. On the contrary, some of those who voted to report it out are as violently opposed as ever to public housing and will fight it on the floor.

We are glad that the entire House will, at long last, have an opportunity to express itself on public housing. We believe that its answer, like that of the Senate, will be favorable.

#### HOUSING

Mr. Chairman, it is gratifying to me that the Eighty-first Congress is at last buckling down to the tasks assigned to it by the voters of this country last fall.

H. R. 4009, or the Housing Act of 1949, while not a perfect bill, will do much to end the poor living conditions under which millions of Americans exist at present. In total, its many complicated provisions on slum clearance, title I; low-rent public housing, title II; housing research, title III; and farm housing, title IV will act as a lever to lower our national rates of broken homes, juvenile delinquency, and crime. H. R. 4009 will also act as a lever to happier family life.

According to recent figures of the Census Bureau, 22 percent of all families, or 7,000,000 families, have incomes of less than \$2,000 a year. The money these families can spare for rent is so low that the only places they can move into are the overcrowded slums of our cities and rural areas.

The average monthly rent these people can pay is one-fifth of their monthly earnings or about \$27. On this basis, is it any wonder that the slums in which they are forced to live are allowed to deteriorate still further by landlords whose profits are based upon nonpayment of taxes and no repair work?

There is no way to handle the problem of these 7,000,000 American families except to replace the slums with decent housing and to subsidize the rentals of their new homes. The slums as a breeding place for crime and unhappiness must be torn down and the land put to better use by our cities and towns.

To replace slums and subsidize rentals is not a new departure for American Government. In fact, we have as a government always been concerned with our lower-income groups. This is one of the costs of our economic system. Those who are more fortunate have a duty to help the less fortunate. Since colonial times, this has been a guiding principle of America. Slum clearance and public housing is just a further continuation of this doctrine. There is nothing new or radical in it.

I believe it wise that the Federal Government steps in at this time to take the lead in restoring family life to more pleasant surroundings. Statistics are available to prove that our States and our cities are unable to stand the financial strain incumbent in slum clearance. If the Federal Government will not take the initiative, the job will never be done. There is no other alternative.

As for opposition of private constructors, I should like to point out that several building and real-estate associations have at last conceded that no competition exists between private construction and public housing. The Real Estate



Board of New York, for example, has come out in favor of public housing. That board is on record as stating that private construction cannot meet the housing needs of our lowest income groups. Who today can build an adequate dwelling for a family unable to pay more than \$27 a month?

According to H. R. 4009, a gap of 20 percent must be left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing decent, safe, and sanitary housing. This means that if old-style private housing is available at \$30, then the top rent the recipient family in a public-housing project could afford to pay would be 20 percent less, or \$24. Figuring rent as one-fifth of monthly income, in this example, the recipient could not earn over \$120 a month or \$1,446 a year.

Under this 20-percent-gap formula, there will be room for local variations in rental charges and earnings of public-housing tenants. This is much better than a fixed dollar ceiling on the incomes of families eligible for admission to low-cost public housing. My major concern is that this gap may be too wide and thus deprive worthy families of the opportunity to take advantage of this housing program. But this can be changed later, if necessary.

The important job before us is to pass H. R. 4009 and continue our fight to end poverty and squalor in the midst of plenty.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: After line 24, page 84, add a new section:

"General provisions: Sec. 512. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for

which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. PATMAN. Mr. Chairman, I make the point of order against the amendment that it is not germane to this bill.

The CHAIRMAN. The Chair will hear the gentleman from Iowa on the point of order.

Mr. JENSEN. Mr. Chairman, a similar provision has been placed in every appropriation bill which this House has passed during this session of Congress. It is purely and simply a safeguarding provision that no person shall be employed and receive compensation from the funds herein appropriated who believes in the overthrow of our Government by force or violence. It is regular procedure, and certainly is germane to this bill. It is a limitation which is in effect in both appropriation and authorization bills.

Mr. PATMAN. Mr. Chairman, this is not an appropriation bill. In an appropriation bill it probably would be in order.

Mr. JENSEN. This bill has the effect of an appropriation bill.

The CHAIRMAN. The Chair is prepared to rule.

The legislation before the committee authorizes loans and other funds to be used, consequently the Chair overrules the point of order.

Mr. JENSEN. Mr. Chairman, I do not think it is necessary to speak any further on this amendment because of the fact that every Member of this House has voted in favor of these appropriation bills which has this amendment in it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 124, noes 141.

Mr. JENSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JENSEN and Mr. PATMAN.

The Committee again divided; and the tellers reported that there were—ayes 166, noes 163.

So the amendment was agreed to.

The CHAIRMAN. All debate is concluded. The Chair will recognize Members to extend their remarks and will recognize Members who desire to offer amendments, without debate.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 78, line 12, after the word "sites", insert "within the District of Columbia."

Mr. SPENCE. Mr. Chairman, the committee has no objection to that amendment.

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. The point of order is that the committee amendment which the Sasser amendment attempts to amend has never been offered or considered.

The CHAIRMAN. The point of order is well taken. The gentleman from Maryland will have to withhold his amendment until the committee amendment has been reached.

Are there any further amendments? If not, the Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 72, line 8, strike out "51" and insert "501."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 73, line 19, strike out "moneys" and insert "monies."

Page 73, line 20, strike out "moneys" and insert "monies."

Page 73, line 23, strike out "moneys" and insert "monies."

Page 75, lines 2, 3, and 6, strike out the word "moneys" and insert the word "monies."

The committee amendments were agreed to.

The Clerk read as follows:

Page 77, line 3, strike out "the State or."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment:

The Clerk read as follows:

Page 78, line 9, insert the following language:

#### "NATIONAL CAPITAL HOUSING AUTHORITY

"Sec. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### "DISTRICT OF COLUMBIA PARTICIPATION

"Sec. 509. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and II of this act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"Sec. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this act (in addition to that provided in section 16 of this act), the agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such con-



tracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this act, the Agency, pursuant to section 7 (a) of this act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this act shall relieve the administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949."

Mr. CASE of South Dakota (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the balance of the committee amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I desire to reserve a point of order in order to make a brief statement. This committee amendment which deals with District of Columbia participation might be subject to a point of order on at least two grounds—one, that it amends the District of Columbia Redevelopment Act of 1945, which would be within the jurisdiction of the Committee on the District of Columbia.

It might also be subject to a point of order on the ground that on page 81, subparagraph (e), it creates a revolving fund, which many times has been held to be an appropriation, and consequently not in order on a legislative bill.

However, if we are to have slum clearance at Federal expense anywhere in the country, we should have it in the Na-

tion's Capital. Congress is the only body which can legislate for the District of Columbia. I am in favor of slum clearance here even if I do not favor the method of financing or the bypassing of the Congress and the Appropriations Committee. I do not wish to exclude the District from any possible benefits it may get if the program is set up for the balance of the country. A point of order in this instance cannot be directed only at the one paragraph but would kill the whole amendment, which I do not desire to do, if the bill as a whole is to pass.

So, after talking with the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], I am not disposed to make the point of order at this time because he tells me this particular section is not in the bill that has been adopted by the other body, and it will naturally have to go to conference where further consideration can be given to the matter. But in not making the point of order, I think the House should be aware of the situation that prompted the McMillan amendment, and which I think does not meet that situation.

During the consideration of the appropriation bill for the independent offices of the Government, when the National Capital Park and Planning Commission item was under consideration, attention was drawn to a certain development in the area known as the Marshall Heights development, where it was proposed under the existing National Capital Housing Authority to destroy a neat community and build a new housing project. Definitely Marshall Heights is not a slum area. So private citizens in the area objected and the Appropriations Committee refused to make certain necessary appropriations. The McMillan amendment which has been heretofore adopted provides that any proposition which has heretofore been proposed to the Appropriations Committee of either the House or the Senate and refused may not get money under this act. But hereafter these projects will not come to the Appropriations Committee. They will go to the Administrator.

I call this particularly to the attention of the members of the committee who may be on the conference and, in keeping with my talk with the chairman, ask them to explore the application of the McMillan amendment and see if it really covers the situation as it was intended. I fear that it will only cover projects which have been heretofore submitted to the Committee on Appropriations and that hereafter projects in the District of Columbia would not be submitted to the Appropriations Committees but to the Administrator of this act, and that money could be obtained to start objectionable projects without the matter ever coming before the Congress for review.

So, by stating the problem and bringing it to the attention of the conferees, and with the assurance which the gentleman from Kentucky has given me on that angle, that this will be explored in conference, I refrain from making the point of order at this time.



Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: Page 78, line 12, after the word "sites", insert "within the District of Columbia."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 84, line 6: Strike out "508" and insert "510."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 84, line 10, strike out "509" and insert "511."

The committee amendment was agreed to.

Mr. MCGREGOR. Mr. Chairman, I move to strike out the last word and ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCGREGOR. Mr. Chairman, I have listened for a number of days to the debate both pro and con on H. R. 4009 known as the Federal housing bill. I am going to vote against it for a number of reasons, some of which are:

First. This bill will commit the Government to the spending of approximately \$20,000,000,000 of taxpayers' money and, in addition, takes from the tax duplicate of local communities the area on which these projects are located and it will benefit less than 4 percent of the families of the country. This bill means that the people of the State of Ohio would have to pay increased taxes to the amount of approximately \$1,044,000,000 which would amount to approximately \$546 for every family in the Seventeenth District.

Second. All of us know that the cost of the construction of these houses, which will be under Federal control will be exorbitant. The bill specifically states that the cost can reach \$2,500 a room which means that a five-room house would cost \$12,500 not including land and other facilities. Certainly this cannot be considered, as some of the proponents claim, low-cost housing.

Third. I think individual and private capital can build the houses that are necessary. In 1948, private industry and individuals built nearly 1,000,000 housing units. The rental on the houses to be constructed by the Government would be \$46.88 per month and these houses definitely would be under the control of the Federal Government which certainly means a further step down the road to socialism.

Fourth. It is the right of all of us to be given the opportunity to build our own

homes, yet, if the Federal Government goes into the business of constructing houses, those who want to repair their existing homes or build new ones will find that the materials are not available and we will continue to have a shortage of building materials.

Fifth. We have a deficit of \$252,000,000,000 and our taxes represent 33 percent of our income. Everyone readily admits that socialism prevails when taxes have passed the 35-percent mark of people's income and certainly we do not want to come any nearer a complete collapse into socialism.

I call attention to the statement expressed by James F. Byrnes, former administration spokesman in the Senate, ex-Justice of the Supreme Court, and Secretary of State by appointment of President Truman, when he recently said:

Where we shall wind up, no one can tell. But if some of the new programs seriously proposed should be adopted there is danger that the individual, whether farmer, worker, manufacturer, lawyer, or doctor, soon will be an economic slave pulling an oar in the galley of the State.

Mr. Chairman, it is time to call a halt on these expenditures and the policy of taking control from our local people. The defeat of this bill can be the first step toward our return to good sound government.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, we are now approaching a vote on this extensively debated measure.

Many sincere people have advanced various arguments against any slum clearance and public-housing bill, with which I should like to deal briefly.

One is the cost to the Federal Government of this program. This is, of course, an improvement factor, one which we must carefully weigh, and which deserves our most thoughtful study.

One in a position of responsibility is bound to look carefully and critically at any proposal involving a substantial expenditure of Government funds.

Extreme figures have been furnished by the ardent proponents and opponents of housing legislation. Having in mind the proposed reduction in housing units to 810,000, and recognizing, of course, that the best estimate is only an informed guess, I accept for the purpose of my analysis, a figure of \$10,000,000,000 as the total cost of the program spread over a period of 40 years. This amounts to an average of \$250,000,000 a year. This is a sizable figure. Yet it is only a little over one-half of 1 percent of the total Federal budget. It is substantially less than the annual pay increase we have recently voted to the members of the Armed Services. It is but one-thirtieth of the amount we have appropriated this year for large-scale spending for public works. It is one-twentieth of our present rate of expenditure for

aid to foreign nations. We have provided 60 times this amount for our military budget. It is only 8 percent of the amount which it is estimated can be saved by our Government through the speedy adoption of the Hoover Commission recommendations to eliminate waste and inefficiency. It represents less than \$2 apiece for our people to pay. Substantial as the amount is, if the program will result in the achievement of a reasonable proportion of the benefits which its proponents claim for it in providing better homes for our lowest-income groups and in eliminating our vast slum areas, the breeders of crime, delinquency, disease, and social maladjustment, it is well worth its cost. It is a sound investment in the welfare of our people.

There is an offset to this cost also, which is sometimes forgotten. Slum areas, which this legislation would help to clear, yield much less than their proper share of local taxes and absorb municipal services for fire, police protection, and the like way beyond their proper proportion. Those slums, wherever they exist, are today subsidized. Apart, therefore, from the social gains resulting from their elimination, there is a definite financial objective in spending public moneys, if necessary, to get rid of them.

Another immediate financial advantage is that in the period which lies before us, it is now apparent that we face increasing unemployment. A housing construction program would provide jobs in the area of greatest usefulness to the public—certainly much to be preferred over the building of public works of questionable need, which is now being so widely advocated by many who conceive such work to be the answer to the unemployment problem.

Now a word about the so freely bandied charge that any housing legislation is a departure from basic American principles and the beginning of a march down the road to socialism.

In my opinion, just the opposite is true. One of the arguments most frequently heard against our traditional free enterprise competitive system, voiced by those who would uproot it, is that its failure is evidenced by the existence of extensive slum areas and its failure to provide decent shelter for substantial groups of our citizenry. Unless we face this challenge realistically and meet it boldly, we face the danger of being plunged into complete Government control of housing and the building industry. One of the most effective blows we can strike against the advocates of a socialized state is the passage of sound housing legislation to assist in meeting at least the minimum needs of our people.

The roster of those favoring a program of slum clearance and public housing, whether individuals or organizations, does not read like the roll call of a Socialist convention. It is farfetched and unrealistic to dub the senior Senator from Ohio, Mr. TAFT—the father of similar legislation in the other body—a Socialist. The American Municipal Association, National Association of Municipal Law Officers, United States Con-



ference of Mayors, American Legion, the Veterans of Foreign Wars, the AMVETS, the American Veterans' Committee, the Catholic War Veterans, Jewish War Veterans, the National Association of Parents and Teachers, the League of Women Voters, the American Federation of Labor, Congress of Industrial Organizations, International Association of Machinists, and nearly every other labor organization, many Chambers of Commerce, the National Board of the YWCA, many Protestant bodies, the National Conference of Catholic Charities, the National Council of Jewish women, and many other organizations with an estimated membership in excess of 60,000,000 Americans of every class, creed, and race and of both political parties, have endorsed housing legislation. The characterization of all these organizations supporting a housing program as exponents of socialism requires no answer. Arrayed on the other side are bodies representing not over 100,000 people who, no doubt sincerely, but I feel sure incorrectly, argue that their interests will be injured.

It has never been regarded as socialistic in this country to aid those who by reason of misfortune or low income are forced to live in squalor or unhealthy environment. On the contrary, it has always been felt our highly integrated society cannot neglect such problems without risk to its own health and stability.

It must be remembered that the construction of the housing units contemplated in this legislation would be financed through bonds sold by private banking houses to private investors. They would be designed by private architects and built by private contractors of materials produced by private industry. After completion they would be owned and operated by local municipal bodies.

At one time or another our Government, for the general welfare, has subsidized railroads, shipping, and the air lines to permit their survival or expansion. It has entered into huge programs for highway and public-building construction. For years it has steadily subsidized the postal service. It has poured out billions of dollars to help the farmers. As revealed by the Hoover Commission, it has subsidized the press through low postal rates. It has stepped in to protect American business against foreign competition. It has assisted war veterans with educational grants and pensions. It operates the post offices throughout the land. It has provided a system of social security. It has regulated the way securities may be marketed. It has curbed the excesses of big business for the protection of small business and consumers. It has built huge public power projects. It has provided large sums for medical research. On the Federal level, it has touched the lives of our citizens in these and countless other ways. At the State level, it has provided public education for the Nation's children. It has aided religious worship through tax exemption. At all levels, its field of activity has been enlarged.

If the bogeyman of socialism is a threat, he is already with us. It is a

question of controlling and directing him, lest he overwhelm us. The factor most likely at this moment to assure a definite change of our political complexion for the worse is failure to assure that the average man has a livable home in which to rear his children. Against the long record of subsidy I have described, I am unconvinced of the dangerous implications of a bill that attempts, through private enterprise and public subsidy, to achieve the wholesome and democratic aim that the American family shall have a decent home.

Finally, it is contended that any public-housing program will adversely affect the market for private housing. All the evidence in the hearings indicates quite the contrary. Public housing creates a demand for better private housing.

Furthermore, at the height of its activity it is contemplated that not more than 10 percent of the units constructed shall be public-housing units. Even at the end of the entire program, if it should run its course completely, it is estimated that not more than 3 percent of the total in the country would be public-housing units.

Public housing will not deter investment in rental housing. Slum dwellers and those eligible for public housing are not now and never have been in the market for apartments or houses to rent at \$75 a month and up. Such building construction and real-estate activity as can be engaged in with profit will continue to be, as it should, the proper field of private enterprise and initiative.

Both political parties in their platforms last fall endorsed a properly balanced program of slum clearance and low-cost housing. The very proper qualification was contained in the Republican platform that a Federal program should be presented "only where there is a need that cannot be met either by private enterprise or by the States and localities." Clearly that need has not been met. At no time did I express disagreement with this principle embodied in our platform. Therefore, without criticism of those whose interpretation of their responsibility may differ from mine, I feel a compelling obligation to support the measure before us.

Mr. SHAFER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. SHAFER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FORD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Chairman, we have heard comments by the gentleman from California showing how that State turned down public housing last November. Others believe the results in the Presidential election were a mandate for

public housing. Few Members of the House are fortunate in having the specific issue of public housing decided by a free and secret ballot in their respective districts. This issue was specifically decided in the city of Grand Rapids in an election held in October 1947 and the results are as follows: For a public-housing authority, 7,989; against, 12,583. In other words, 61.16 percent of the voters in the city of Grand Rapids were against setting up a local public-housing authority. This is a strong bit of evidence indicating the public sentiment in that community.

Despite this vote, I have supported the Coudert amendment or substitute, which was a true slum-clearance bill and I favored the Rees amendment, which sought to eliminate the low-rent public housing feature in H. R. 4009. Furthermore, I intend to vote to recommit providing the motion to recommit directs the Committee on Banking and Currency to report back forthwith a bill aimed at eliminating our metropolitan slum areas. Although the aforementioned vote in the city of Grand Rapids indicates a disapproval of low-rent public housing, I feel the citizens of the Fifth District of Michigan do favor true slum clearance. Personally, I strongly favor Federal aid for slum clearance and if the Congress could keep a tighter rein on the expenditures for low-rent public housing, I would be sympathetic to that program also.

Mr. SCUDDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCUDDER. Mr. Chairman, in my opinion, one of the greatest mistakes this Congress could make would be to put the Government into the housing and rental business. It is the same step France took after the First World War when she socialized housing to such an extent that investment of private funds in building construction practically stopped.

This socialized housing bill is politically tinged. Let me quote from the testimony of John W. Edelman, representing the CIO, before the legislative committee at the hearings on this bill. This is what Mr. Edelman said and I quote,

Once this program is well under way, it will develop sufficient political momentum in the future to increase and extend this authorization to whatever extent may be necessary.

The vote-pulling power in public housing projects was borne out last year in California. Although the State over all voted 2 to 1 against public housing, and the voters of the first congressional district, which I represent, defeated this measure by a vote of 31,202 for, and 100,194 against, thus defeating this measure by better than 3 to 1. In this same election those people who live in the public-housing projects voted 2 to 1 for this kind of subsidy.

This is just the camel's foot into the tent, for although 810,000 units are authorized, the bill states that no State may



have more than 10 percent would mean that our State would be permitted a maximum of 81,000 units. But here is the catch. Those units will be erected over a period of seven years, or approximately 11,571 units per year.

Now last year, according to the Bureau of Labor Statistics, the State of California erected one-fifth of the total housing in the United States, approximately 158,486 units in one year, and we still have a housing shortage. This figure does not include farm and ranch construction of permanent buildings. Los Angeles, San Francisco, San Diego, or any of the large industrial towns could swallow this entire year's allotment of so-called public housing without any other community benefiting from it. And this socialized housing would cost \$114 a year for the next 40 years for every man, woman and child in the First Congressional District without any benefit to them. Thus when we get down to details, this socialized housing bill will not solve the problem.

I feel that the slum-clearance program contained in this bill will not in any way benefit the First Congressional District which is predominantly agriculture and with many small cities. With very few exceptions these small cities are inhabited by people who take pride in keeping up their homes regardless of how meager their means might be.

Slums, in my opinion, are largely made by the people who live in them. Many large cities throughout the United States have taken pride in cleaning up the areas which, by neglect, have been allowed to run down. I have always been interested in the fine job that has been done by the city of Baltimore, Md. Since 1941 the municipal government with the fine cooperation of the police department, the health department, etc., have worked together and have remodeled and modernized over 10,000 dwelling units.

If other cities would take a little pride and assume the responsibility which is theirs, the slums would soon disappear from their cities. However, I realize in some instances, some areas of our large cities could be more economically developed and possibly the taxpayers of my district would be willing, from a charitable viewpoint, to assist in the clearing of some of these slums that have been permitted to develop.

The low rentals for these housing projects is the bait put out to make it attractive to certain classes. I wish to state that the people of the First Congressional District of California and the Nation would be compelled to pay the difference between the rental of these so-called low-income groups and the real cost of carrying the investment. This cost would come out of every taxpayer, no matter where he himself lived. Before and during the war, thousands of such buildings were constructed and rented by the Federal Government. In practically every Federal housing district, the record shows that families earning from \$3,000 to \$15,000 a year were allowed to move into these buildings, and that they are still occupying them, 4 years after the war.

There has been a rule accepted by all that a tenant can afford to pay from 20 to 25 percent of his income for shelter. If the sponsors of this law are sincere and desire to help the low-income people of our country, they can, without further governmental cost, make available many units now being occupied by five-, ten-, and twenty-thousand-dollar-a-year families.

In all good faith, I introduced the following amendment: After tenant and before the colon on line 15, page 27, insert, and (iii) "Agreed to pay for the premises to be occupied an amount for the rental thereof fixed by the Public Housing Agency or an amount therefor equal to 20 percent of the total combined gross income of the members of the family during the period of occupancy, whichever is the greater."

A question was put to the Housing and Home Finance Agency, asking how many families presently residing in public housing projects are over the existing maximum income limits. Their report showed over 41,000, or 26 percent, had incomes which would preclude them from living in such projects. Title two was stricken from the bill and I was precluded from submitting my amendment.

Frankly, I do not believe that this bill will increase the number of units that is necessary to build in this country. If this bill goes through, housing will cost more money and, in my judgment, we will get less units of housing. You cannot get housing by legislation. Houses are built by carpenters, painters, bricklayers, and other workmen. Federal housing units are built in large cities of concrete, brick, and cement. The smaller home units are built mainly of wood and lumber. We have a surplus of lumber in our country and thousands of men in the timber and lumber business are out of employment. We must expand the building of smaller individual units not only to take care of this surplus of lumber, but also to help those men who are losing their jobs.

I feel confident that this housing program would be a great menace to building and development. Particularly, I believe it will impede construction of rental units. No one will desire to build for rental when faced with the possibility of Government competition. I believe that if the Government would stay out of the housing business, within a short time the housing needs of the people would be met.

Public housing has been a gold mine for politicians and there will be additional hordes of political bureaucrats hired by the taxpayers' money to administer this program. Public housing has always made itself felt in the housing field, as I pointed out in the voting record in California. Where it exists today, it is used politically. I feel the people in my district should not be compelled to pay the rentals for people residing in the large metropolitan areas.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, on June 17 the President addressed a letter to the Speaker saying, in part:

The facts are that the amount of money provided in H. R. 4009 to build 1,050,000 dwelling units will permit an average cost, at the most, of \$8,465.

I had intended to offer an amendment to title II as follows:

Page 32, after line 5, insert the following: "The average cost per family dwelling unit for construction and equipment of all low-rent housing projects initiated after March 1, 1949, with respect to which such contracts are made shall not exceed \$8,465."

The adoption of the Rees amendment striking out all of title II made impossible the offering of my amendment.

While the Rees amendment was subsequently defeated on a roll-call vote, I want the RECORD to show that I hope the President knew what he was talking about when he fixed the average cost of housing units to be built. They should be built as economically as possible. And they should not be more elaborate, or expensive, than the homes of people who will be paying the taxes to pay for these projects.

Mr. DEANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DEANE. Mr. Chairman, under the low-rent public housing title of H. R. 4009, there are no specific requirements as to the type of housing to be built by local housing authorities. The requirements of this title run rather to standards assuring that maximum economy will be observed in both construction and operating costs, having in mind the need for durable structures suitable for long-term intensive use. These standards are set forth in lines 7 through 25 on page 31 of the committee bill and in lines 1 through 14 on page 32 which require, first, that construction costs not exceed \$1,750 per room, with authority to the PHA Commissioner to authorize an additional limitation up to \$750 per room in the highest cost areas where necessary for sound construction; second, that the projects assisted under the title shall not be of extravagant design or materials and economy will be promoted both in construction and administration; and, third, that the PHA shall approve each main construction contract, after taking into account the level of construction costs prevailing in the locality where the project is to be located.

It is clear from this language that low-rent projects could consist of multi-family structures, row houses, two-family houses or single-family houses, provided only that the projects will meet the standards as to economy in construction and operation specified above. In actual practice, the decision as to the type of structures to be built will be made by the local housing authorities, subject to PHA approval, and will be based on



actual local conditions, such as the type of local housing needs to be served, prevailing land costs, and similar factors affecting both the construction and the operating costs of the projects.

Under the existing public-housing program, all of the 515 rural farm dwellings actually built, as well as the approximately 7,500 rural dwellings contracted for, have involved single-family detached structures. Correspondingly, it is anticipated that, under the new program authorized in H. R. 4009, most of the rural nonfarm low-rent public housing will consist of single-family detached dwellings. Since the bill requires that at least 10 percent of the annual contributions authorization be reserved for projects developed in rural nonfarm areas, a minimum of 100,000 units out of a total authorized program of 810,000 units will probably be located in rural areas.

In the smaller towns and cities, it is also possible that single-family detached dwellings may be feasible. In the larger cities, where land costs are high and where multifamily or row-house structures usually offer considerable economies in both construction and operating costs, the use of single-family detached structures in low-rent projects would offer greater problems. However, even in those cases, there is nothing in H. R. 4009 which specifically prohibits the development of projects consisting in whole or in part of single-family detached structures, provided they could be built within the applicable construction-cost ceilings and could meet the general standard as to the promotion of economy in construction and operation.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. MULTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. O'SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Chairman, one of the major reasons for the opposition coming from real estate men and many others from my congressional district, who are fighting public housing bill, H. R. 4009, is that "all Federal taxpayers regardless of the size of their income will be contributing to the support of comparatively few occupants of Federal housing," and that it is very unjust and improper to tax all of the people of the Republic in order to clear up slums and construct houses, and housing units, at locations far removed from the domiciles of so many of those who will be required to pay the taxes occasioned by this public housing bill. In other words the selfish theory is advanced that no one should be required by law to pay taxes for anything which

is not of direct interest or concern to him, and should not champion any cause which will not enure directly or eventually to his own personal gain or benefit.

Indeed this is a new and novel selfish theory to be now advanced in our fair land, but let us not brush it aside with a platitude, accompanied by a wave of the hand but let us take a little time to examine more closely into this strange and startling theory.

In the first place this bill, if passed, actually will be a real benefit to every person in the United States. As regards the ultimate money value of public housing to all of the people, I say without fear of contradiction that, if adopted, it will save the taxpayers millions of dollars by removing the chief spawning ground of communism, and other un-Americanisms. It will, among other things, lessen adult crime, juvenile crime, and delinquency, the incubating places of many foul diseases of men, women, and children, and the nesting places of many types of immorality and lawlessness.

As regards the ultimate moral and spiritual values, which the people of our Government will reap, I need only to say that the trading of slum homes for decent homes is the greatest builder of real good imaginable. If people, after having endeavored to work and sustain themselves, at perhaps meager pay, are required to go to partake of rest in a tenement slum, or a hutch not fit for a beast to live in, it certainly must have a damnable effect upon them and every phase of their thinking. It lowers them mentally, spiritually, and morally, I think. On the contrary to return from a menial task to a livable home, in my opinion, would have just the opposite effect upon these lowly and struggling individuals.

But let us just assume that it is correct that if this housing bill is passed many taxpayers of our country will be required to contribute a portion of their tax dollar to something which is not of apparent direct interest or concern to them.

I see nothing wrong whatsoever about such a legislative course. The fact that individual taxpayers do not get any directly traceable value out of a portion of the tax dollar they are required to pay, is no reason why this housing bill should be defeated. Certainly a good American citizen could not afford to make the selfish claim that he should not contribute any money or do anything for any cause unless he secured some value for his money.

When one becomes a member of organized society the first requisite, I believe, is that he must not only be willing but he should be required to make some sacrifices for the public good, and that pertains not only to rights of property but also applies to liberty and even life, when the over-all good of his Government requires it.

If the afore-mentioned major argument of those opposing housing was to be accepted as a rule which the citizen should follow in all of his relations to his Government, then no one should have ever joined the armed forces for the protection of the Republic in any of our past

wars, or in any future wars, because he would then be giving his services for the benefit of others.

The United States would have had no Washington, or any of the other heroes of the past, and the world would have never heard of the terms "hero" and "heroism."

I am afraid that such a philosophy as I have herein attempted to debunk is untenable and entirely too selfish to be convincing to people whose lives and consciences have not been warped by prosperity and selfishness. After all, the real philosophy of our type of government and of every other Christian government is—service to all and not service to me—the public good and not my good.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record to follow immediately after the remarks made by the gentleman from New York [Mr. MARCAN-TONIO].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JONAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONAS. Mr. Chairman, I have a letter from a constituent who has been actively engaged in the real-estate business for more than a quarter of a century. He writes to me as follows:

You may be surprised to hear that a real estate man is in favor of H. R. 4009, but I am and one of my reasons is that private enterprise talks a good game of providing housing for the lower-income group but fails in its performance. All buildings under H. R. 4009 will be designed by private architects, private contractors, material dealers and other private enterprises will be used to build all structures built under the act. We need additional shelter. Our old buildings are rapidly deteriorating. Our cities are now so slum-burdened that property in good condition cannot carry the additional tax burden that slum areas throw onto other districts. Our economy also needs the stimulus now that construction will furnish.

Due to the tremendous losses in real estate and building loans in the 1930 crash, private capital ever since has been reluctant about investing money in large building projects. For about 15 years there has been very little if any building of substantial apartment-house projects except those which were constructed under the jurisdiction and authority of the Government of the United States and financed through Federal funds. Because of the laws dealing with rent control, the tendency has been recently, to finance large projects under control of private enterprise through means known as the cooperative method. Under this plan very little space is made available for housing except to those who have a substantial income.

It is true that there has been considerable activity in connection with building private homes and this activity has especially manifested itself in areas adjacent to big cities or in suburban ter-



ritories. The difficulty encountered with this kind of construction is that the prices of most of the homes are pegged at a figure far beyond the means of the average man and woman working for a living. On the other hand, construction of large apartment buildings has been at a standstill for years and activities in connection therewith have only recently been revived and which activities in some instances are reflected by the buildings erected with money furnished by insurance companies in the nature of a private loan. A number of projects of this character have been completed in the eastern section of our country but they are notably absent in large cities in the Middle West.

In the past whenever the Government of the United States has decided to finance building projects its activity has largely centered around those projects which were erected to bring about slum clearance. I maintain that we still have a very grave housing shortage although statistics are being presented and figures quoted from time to time that this condition is not grave and that the shortage, if any, will not prevail for any great length of time. I have in mind a shortage relating to homes that can be bought or apartments that can be rented at prices compatible with the incomes of thousands of families who may be described best as the great middle class.

My congressional district in the State of Illinois is one of the largest residential districts in Chicago, yet within that area hundreds of families are obliged to live in broken-down trailers, or hastily thrown together shacks, constructed of knock-down material salvaged from former military barracks. This sordid and deplorable situation prevails within a stone's throw from where people live in modern and comfortable homes. I charge that for years the authorities clothed with the responsibilities of finding a way out of the confusion that lead to a housing shortage and lack of proper housing facilities have been reporting, investigating, experimenting, interviewing, speaking, and proposing but in the final analysis nothing worth while has been accomplished. City councils in our larger metropolitan centers have wrangled and argued about the nature and character of revising their city codes or the areas to be allotted to slum clearance, have ordered investigations and statistical reports and appointed fact-finding committees and have resorted to about everything except that it has not produced any additional housing.

It is also charged in some instances that the high cost of material and high wages and curtailed hours have been instrumental in preventing private enterprise from doing a good job and making progress in the building of medium-priced homes and apartments. They have used the argument in particular that rent control has created a situation in the fact of which private enterprise will not invest its capital in large building projects and that the construction of medium-priced buildings will lag and no change can be looked for as long as the rent-control laws restrict the income of the private investor. There is some merit to that argument, but the surest

way to answer the argument is that we do have rent control and we will probably continue to have rent control unless sufficient space is made available to our citizens for dwelling purposes.

It is also reported, and true to some extent, that building codes in our larger cities are in some instances so antiquated and outmoded that they do not permit the erection of modern and up-to-date buildings except at costs that are prohibitive and therefore private capital will not undertake expensive building ventures.

Then again, State housing projects have usually been subject to a referendum which has caused a delay and after receiving approval from the voters not much impetus was added to their efforts. In most instances State housing commissions have accomplished very little. We know that they are subject to political pressure and victims of long and tedious arguments as to where to build and for whose benefit building on a large scale is to be carried on.

In summarizing the causes underlying the present shortage of housing the facts clearly point to the authorities who have had the opportunity and chance to do something about it. Undoubtedly selfish interests have been instrumental in bringing about these complications for which the public has been made to suffer. The home is the backbone and lifeblood of a well-organized society. If the opportunity or desire to own and occupy a home is denied to our fellow citizens then we begin to pave the road that ultimately leads to moral bankruptcy. Presently, thousands of families living in makeshift places have no play yard for their children or any decent place to be occupied for recreation and rest. In the temporary quarters of which there are many, including trailers and shacks, no yard space is available at all. The quarters themselves are cramped and of a makeshift character without the proper facilities from a standpoint of sanitation, and there is poor ventilation and little privacy.

It is basically wrong to subject law-abiding citizens to such indignities. It is evident to me that all approaches to this very important question of supplying housing has failed either in total or in part. I see no other recourse except that of resorting to Federal aid from the Government. I can surmise the receipt of protests from some sectors of the country and from certain segments of society, especially those who find public housing in conflict with their own personal interest. Undoubtedly, they will shout socialism and deplore Government interference with private enterprise. To some extent, I can sympathize with protests of this nature because I am opposed to legislation that is unqualifiedly socialistic in character and objective. However, to my mind, housing aid warrants liberalization in which we can indulge without being accused of resorting to downright socialism. There is a certain flexibility to be applied to the laws of necessity which cannot be disregarded when the general welfare of the people is involved. In such case, the project is impressed with a public trust. This is true especially when the masses, after seeking

redress from every available source, find their needs and wants not answered or fulfilled but allowed to ride along on a wage of procrastination. I contend that a situation of this kind leads to discontent, breeds leanings toward communism, and lends itself to gradual disintegration of standards by which we judge and govern society. Finally, if this were the first venture that the Government has been called upon to underwrite I would hesitate to give my support to it because I believe that what can be safely left to private enterprise should forever be free from governmental meddling and interference. Have we not set a pattern for aid and support from the Government in scores of other projects that have been approved by Congress and preceded the present request for Federal aid to housing? I cannot mention them all here and now, but the public is no stranger to TVA, farm subsidies, aid to foreign countries, promoting of a merchant marine, the development of large irrigation projects, and many others of a similar nature. In the instant case the question with me is what is the greatest good for the greatest number. Again, Is this legislation a matter of dire necessity?

I am of the belief that housing legislation such as we have before us for consideration serves a most useful purpose and is vitally needed in order to do away with a situation that is perpetrating a decided hardship upon many families who suffer and are innocent victims of a situation from which they now seek relief. They look to us for help, regardless of race, creed, color, or partisan affiliations. I am in sympathy with their pleas and shall unhesitatingly support the bill to give the people of the United States adequate living quarters and sufficient homes wherein they can find the necessary comforts of life for themselves and their families.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point of the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, it is a pleasure for me to speak in favor of and urge immediate enactment of this housing bill.

Since becoming a Member of Congress, I have constantly advocated Congressional recognition of and relief for the housing shortage admittedly existing in this country. I have personally introduced several bills, one of which was bottled up in the Rules Committee of the Eightieth Congress, that I sincerely felt would materially contribute toward correction of the deplorable housing situation. I am therefore very happy to, at long last, have the opportunity of voting in favor of this measure as a constructive step toward providing decent housing for the American people.

The persistence of the acute housing shortage and the disgraceful slum conditions under which millions of American families are forced to live have made it clear that comprehensive Federal assistance is essential if real progress is to be made toward achieving a Christian home environment for our citizenry as a whole.



Doubling up of families and overcrowding are still wide-spread. The prices and rents of decent housing, new or old, even now are beyond the financial reach of a substantial portion of our population. The Bureau of Census recently published figures to show that about 20 percent of the Nation's families receive incomes less than \$2,000; they are the ones who will be primarily affected by the public housing parts of this bill. We must remember also it is authoritatively estimated that the incomes of 40 percent of our families are between \$2,000 and \$4,000. As a result, more than 5,000,000 low-income families are crowded into city slums or other substandard housing. Virtually no progress has been made in the clearance and redevelopment of slums. Bad housing is very widely prevalent on American farms.

The purpose of the proposal we are discussing is to provide the foundation for the comprehensive action needed to overcome these problems. It would do so in four ways: First, through authorization of Federal financial assistance to communities for a long-delayed, but vitally needed start on the clearance of slums and blighted areas for redevelopment; second, through continuation and expansion of Federal financial assistance to communities for low-rent public housing for families of low income; third, through authorization of a comprehensive program of Federal research in housing aimed at relieving the many technical, social, and economic problems which beset the whole field of housing; and, fourth, through the authorization of Federal financial assistance for the provision of decent housing for farm families and particularly for farm families of low income. The bill also would establish, for the first time, a broad national housing objective aimed at achieving as soon as feasible the goal of a decent home and a suitable living environment for every American family, and would define the policies to be followed in attaining that objective.

On the generally accepted basis of paying one-fifth of income for housing, the average rent which the families in our lowest income group—under \$2,500—can afford to pay would be approximately \$27 per month, including heat and all other utilities.

With new housing construction concentrated in price brackets above \$7,000 and rental brackets above \$70 a month, it is clear that new private housing is far beyond the financial reach of these families.

With respect to the supply of used private housing available to these families, experience has shown that generally only that portion of the housing supply which has deteriorated to substandard condition has declined sufficiently in economic rental value to be within the rent-paying ability of low income families. The very existence of the slums and their predominant occupancy by low-income families is proof of that experience. It is further borne out by the fact that the average rent being charged for substandard dwellings in urban areas is \$28.50 per month,

The basic provisions of this proposal are the product of exhaustive congressional investigation and consideration during the past 4 years. They are in accord with the recommendations of the Joint Committee on Housing in its final report, on March 15, 1948, after an intensive study of housing conditions involving extended hearings in 33 cities and the receipt of more than 6,000 printed pages of reliable testimony. In the light of the authentic information available, I do not believe there is anyone who will challenge the fact of the need to provide housing for the people of this country.

As far as I am able to observe, the current sincere opposition to this bill comes from those who very seriously fear it might give the Federal Government dictatorial powers over local communities and would threaten to socialize the housing industry. I admire the sincerity and honesty of these opponents, but I earnestly feel an examination of the true meaning and intent of this legislation will prove their fears are unfounded.

Participation by communities in either the slum-clearance program or the low-rent public-housing program would be entirely at the option and initiative of local governments. Projects would be locally planned and locally executed. The role of the Federal Government would be restricted to the provision of financial assistance, the furnishing of technical aid and advice, and the administration of statutory requirements to insure that the standards of the law are faithfully observed. There is no dictatorship possible under these conditions.

With respect to socialization, the philosophy of the policy declaration in this measure rests squarely on the traditional principle that the Federal Government can and should supplement the resources of State and local governments, and of private enterprise, in order to meet urgent national problems which affect the welfare of the people as a whole. No one will deny that the present housing crisis in America constitutes such a problem.

This same principle underlies the existing Federal programs for social security, soil conservation, aids to hospital construction, road building, air-line industry development, and a host of similar matters. Public housing is just about as socialistic as public schools or the 24 Republican Senators who, after many days spent hearing both sides of the argument, joined in an overwhelming 57 to 13 vote in favor of this housing program. In other words, those who append the term "socialistic" to this proposal are saying that two-thirds of the Republican side of the Senate are socialists, which is certainly a preposterous charge.

Let us for a moment look at the religious organizations who would be labeled "socialistic" for their support of this program. Among others, there are the Congregational Christian Churches of the United States of America; the Women's Division of the Methodist Church; the United Council of Church Women; the Christian Social Progress Council of the Northern Baptist Convention; the National Conference of Catholic Charities;

the National Lutheran Council, and the Division of Social Education and Action of the Presbyterian Church. This smoke-screen of "socialism" is thus dispersed by its own inherent absurdity.

Mr. Chairman, I had not intended to go into prolonged details on a subject that has been so extensively debated on this floor, but I submit it is not superfluous to discuss the housing situation in the terms in which it is regarded by our people—terms of their need for homes in which to live as Americans should, in which children can get a fair start in life, and which will prove the inspiration which all of us must have to make life worth living.

I call your attention to the needs of nearly 3,000,000 families who do not have any homes at all, but are living with their in-laws and other families and of the 500,000 living in trailers, rooming houses, temporary housing, and other makeshift accommodations. I call your attention to the needs of more than 5,000,000 families in cities and surrounding areas, whose homes fall below decent living standards. May I direct emphasis also toward the families on the farm whose homes are shacks which should be replaced, or, at minimum, need major repairs in order to make them livable. I am not going to recount the vast number of farm homes which do not have the sanitary facilities which have become so essential for safe living in our cities. These are the reasons why we should begin a comprehensive housing program for this country.

Mr. Chairman, we have been genuinely concerned with the difficulties of peoples all over the world, and have appropriated billions of dollars to help them rehabilitate themselves, but we have done little or nothing to demonstrate our concern for our transcendent domestic problem. I submit that the time has come to prove to our own citizens that this is a legislative body primarily existing for the benefit and welfare of the American people.

Just about a year ago, when we were discussing this same subject, I expressed the earnest hope that the early days of the Eighty-first Congress will see proper action taken to encourage the production of homes and rental units for the people of the United States, at prices they can afford.

May I repeat I am very glad the hour has finally come for me to cast my vote in favor of initiating a program to provide decent housing for the American people who need it most and I urge you, my colleagues, to adopt this measure without further delay.

Mr. DOYLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection? There was no objection.

[Mr. DOYLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the



State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4009) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, pursuant to House Resolution 357, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the Rees amendment to strike out the public housing section, title III.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. JACKSON of California. Mr. Speaker, I demand a separate vote on the so-called Jones amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. REES: On page 24, line 18, strike out all of the remainder of 24 down to and including line 15 on page 51.

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 209, answered "present" 1, not voting 18, as follows:

[Roll No. 117]

YEAS—204

Abbitt	Cole, N. Y.	Hale
Abernethy	Colmer	Hall
Allen, Calif.	Corbett	Edwin Arthur
Allen, Ill.	Cotton	Hall
Allen, La.	Coudert	Leonard W.
Andersen	Cox	Halleck
H. Carl	Crawford	Harden
Anderson, Calif.	Cunningham	Hare
Andresen	Curtis	Harris
August H.	Dague	Harrison
Andrews	Davis, Ga.	Harvey
Arends	Davis, Wis.	Hébert
Auchincloss	D'Ewart	Herlong
Barden	Dolliver	Herter
Barrett, Wyo.	Dondero	Hill
Bates, Mass.	Doughton	Hinshaw
Beall	Durham	Hobbs
Bennett, Fla.	Eaton	Hoeven
Bennett, Mich.	Ellsworth	Hoffman, Ill.
Bentsen	Elston	Hoffman, Mich.
Bishop	Fallon	Hope
Blackney	Fellows	Horan
Boggs, Del.	Fenton	Jackson, Calif.
Bolton, Md.	Fisher	James
Bonner	Ford	Jenison
Bramblett	Gamble	Jenkins
Brehm	Gary	Jennings
Brooks	Gathings	Jensen
Brown, Ohio	Gavin	Johnson
Bryson	Gillette	Jonas
Burleson	Golden	Jones, N. C.
Burton	Goodwin	Judd
Byrnes, Wis.	Gossett	Kearney
Case, S. Dak.	Graham	Keefe
Chapierfield	Grant	Kilburn
Church	Gross	Kruse
Clevenger	Gwinn	Kunkel
Cole, Kans.	Hagen	Larcade

Latham	Passman
LeCompte	Patten
LeFevre	Patterson
Lemke	Phillips, Calif.
Lichtenwalter	Pickett
Lovre	Poage
Lucas	Potter
McConnell	Poulson
McCulloch	Rankin
McDonough	Reed, Ill.
McGregor	Reed, N. Y.
McMillan, S. C.	Rees
Mack, Wash.	Regan
Macy	Rich
Mahon	Richards
Martin, Iowa	Rivers
Martin, Mass.	Rogers, Fla.
Mason	Rogers, Mass.
Morrow	Sadiak
Meyer	Sanborn
Michener	Scott
Miller, Md.	Hugh D., Jr.
Miller, Nebr.	Scrivner
Murray, Tenn.	Scudder
Murray, Wis.	Shafer
Nelson	Short
Nicholson	Sikes
Nixon	Simpson, Ill.
Norblad	Simpson, Pa.
Norrell	Smathers
O'Hara, Minn.	Smith, Kans.
O'Konski	Smith, Ohio

NAYS—209

Addonizio	Fulton
Albert	Furcolo
Angell	Garmatz
Aspinall	Gordon
Bailey	Gore
Baring	Gorski, Ill.
Barrett, Pa.	Gorski, N. Y.
Bates, Ky.	Granahan
Battle	Granger
Beckworth	Green
Blemliller	Gregory
Bland	Hand
Blatnik	Hardy
Boggs, La.	Hart
Bolling	Havenner
Bolton, Ohio	Hays, Ark.
Bosone	Hays, Ohio
Breen	Hedrick
Brown, Ga.	Heffernan
Buchanan	Heller
Buckley, Ill.	Heselton
Buckley, N. Y.	Holfield
Burdick	Holmes
Burke	Howell
Burnside	Huber
Byrne, N. Y.	Hull
Camp	Irving
Canfield	Jackson, Wash.
Cannon	Jacobs
Carlyle	Javits
Carnahan	Jones, Ala.
Carroll	Jones, Mo.
Case, N. J.	Karst
Cavalcante	Karsten
Celler	Kean
Chelf	Keating
Chesney	Kelley
Christopher	Kennedy
Chudoff	Keogh
Clemente	Kerr
Combs	King
Cooley	Kirwan
Cooper	Klein
Crook	Lane
Crosser	Lanham
Davenport	Lesinski
Davies, N. Y.	Lind
Davis, Tenn.	Linehan
Dawson	Lodge
Deane	Lyle
DeGraffenried	Lynch
Delaney	McCarthy
Denton	McCormack
Dingell	McGrath
Dollinger	McGuire
Donohue	McKinnon
Douglas	McSweeney
Doyle	Mack, Ill.
Eberhart	Madden
Elliott	Magee
Engel, Mich.	Mansfield
Engle, Calif.	Marcantonio
Evins	Marsalis
Feighan	Marshall
Fernandez	Miles
Flood	Miller, Calif.
Fogarty	Mills
Forand	Mitchell
Frazier	Monroney
Fugate	Morgan

Smith, Va.
Smith, Wis.
Stanley
Stefan
Stockman
Tackett
Talle
Teague
Thomas, Tex.
Towe
Van Zandt
Velde
Vorys
Vursell
Wadsworth
Weichel
Werdel
Wheeler
Whitten
Whittington
Wickersham
Wigglesworth
Williams
Willis
Wilson, Ind.
Wilson, Tex.
Winstead
Wolcott
Wood
Woodruff
Worley

ANSWERED "PRESENT"—1

Morton

NOT VOTING—18

Boykin	McMillen, Ill.	St. George
Bulwinkle	Morrison	Staggers
Chatham	Peterson	Taber
Gilmer	Pfeifer	Thomas, N. J.
Kearns	Joseph L.	Whitaker
Kee	Plumley	
Kilday	Rooney	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. McMillen of Illinois for, with Mr. Rooney against.

Mr. Plumley for, with Mr. Joseph L. Pfeifer against.

Mr. Taber for, with Mr. Gilmer against.

Mr. Kilday for, with Mr. Staggers against.

Mr. Thomas of New Jersey for, with Mr. Morton against.

General pairs until further notice:

Mr. Morrison with Mr. Kearns.

Mr. Whitaker with Mrs. St. George.

Mr. MORTON. Mr. Speaker, I have a live pair with the gentleman from New Jersey, Mr. THOMAS. Had he been present he would have voted "aye." I voted "nay." I therefore withdraw my vote and ask that I be recorded as voting "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 84, after line 24, add a new section: General provisions: SEC. 512. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act, shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That such administrative or supervisory employees of the Department as may be designated for the purpose by the Secretary are hereby authorized to administer the oaths to persons making affidavits required by this section, and they shall charge no fee for so doing: *Provided further*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall



be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

The SPEAKER. The question is on the amendment.

Mr. JACKSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 283, nays 129, not voting 20, as follows:

[Roll No. 118]

YEAS—283

Abbutt	Fallon	LeCompte
Abernethy	Fellows	LeFevre
Albert	Fenton	Lemke
Allen, Calif.	Fernandez	Lichtenwalter
Allen, Ill.	Fisher	Lodge
Allen, La.	Ford	Lovre
Andersen,	Frazier	Lucas
H. Carl	Fugate	Lyle
Anderson Calif.	Fulton	McConnell
Andresen,	Gamble	McCulloch
August H.	Gary	McDonough
Andrews	Gathings	McGregor
Angell	Gavin	McMillan, S. C.
Arends	Gillette	Mack, Wash.
Auchincloss	Golden	Macy
Barden	Goodwin	Mahon
Barrett, Wyo.	Gore	Martin, Iowa
Bates, Mass.	Gossett	Martin, Mass.
Battle	Graham	Mason
Beall	Grant	Morrow
Beckworth	Gregory	Meyer
Bennett, Fla.	Gross	Michener
Bennett, Mich.	Gwinn	Miller, Md.
Bentsen	Hagen	Miller, Nebr.
Bishop	Hale	Mills
Blackney	Hall	Monroney
Boggs, Del.	Edwin Arthur	Morton
Boggs, La.	Hall	Moulder
Bolton, Md.	Leonard W.	Murray, Tenn.
Bolton, Ohio	Halleck	Murray, Wis.
Bonner	Hand	Nelson
Bramblett	Harden	Nicholson
Brehm	Hardy	Nixon
Brooks	Hare	Norblad
Brown, Ga.	Harris	Norrell
Brown, Ohio	Harrison	O'Hara, Minn.
Bryson	Hart	O'Konski
Burleson	Harvey	Pace
Byrnes, Wis.	Hays, Ark.	Passman
Camp	Hébert	Patten
Canfield	Hedrick	Patterson
Cannon	Herlong	Pfeiffer,
Carlyle	Herter	William L.
Case, N. J.	Heslton	Philbin
Case, S. Dak.	Hill	Phillips, Calif.
Chelf	Hinshaw	Phillips, Tenn.
Chiperfield	Hobbs	Pickett
Church	Hoeven	Poage
Clevenger	Hoffman, Ill.	Potter
Cole, Kans.	Hoffman, Mich.	Poulson
Cole, N. Y.	Holmes	Preston
Colmer	Hope	Priest
Combs	Horan	Rains
Cooper	Hull	Rankin
Corbett	Irving	Redden
Cotton	Jackson, Calif.	Reed, Ill.
Coudert	James	Reed, N. Y.
Cox	Javits	Rees
Crawford	Jenison	Regan
Cunningham	Jenkins	Ribicoff
Curtis	Jennings	Rich
Dague	Jensen	Richards
Davis, Ga.	Johnson	Riehlman
Davis, Tenn.	Jonas	Rivers
Davis, Wis.	Jones, Ala.	Rogers, Fla.
DeGraffenried	Jones, Mo.	Rogers, Mass.
D'Ewart	Jones, N. C.	Sadlak
Dolliver	Judd	Sanborn
Dondero	Kean	Sasser
Donohue	Kearney	Scott, Hardie
Doughton	Keating	Scott,
Doyle	Keefe	Hugh D., Jr.
Durham	Kennedy	Scrivner
Eaton	Kerr	Scudder
Elliott	Kilburn	Secrest
Ellsworth	Kruse	Shafer
Elston	Kunkel	Sheppard
Engel, Mich.	Lanham	Short
Engle, Calif.	Larcade	Sikes
Evins	Latham	Simpson, Ill.

Simpson, Pa.  
Smathers  
Smith, Kans.  
Smith, Ohio  
Smith, Va.  
Smith, Wis.  
Stanley  
Steed  
Stefan  
Stigler  
Stockman  
Sutton  
Tackett  
Talle  
Taylor  
Thomas, Tex.  
Thompson

Thornberry  
Tollefson  
Towe  
Trimble  
Underwood  
Van Zandt  
Velde  
Vinson  
Vorys  
Vursell  
Wadsworth  
Wagner  
Walter  
Welch, Calif.  
Werdel  
Wheeler

Whitten  
Whittington  
Wickersham  
Wigglesworth  
Williams  
Willis  
Wilson, Ind.  
Wilson, Okla.  
Wilson, Tex.  
Winstead  
Wolcott  
Wolverton  
Wood  
Woodruff  
Worley

NAYS—129

Addonizio  
Aspinall  
Bailey  
Baring  
Barrett, Pa.  
Bates, Ky.  
Biemiller  
Bland  
Blatnik  
Bolling  
Bosone  
Breen  
Buchanan  
Buckley, Ill.  
Buckley, N. Y.  
Burck  
Burke  
Burnside  
Burton  
Byrne, N. Y.  
Carnahan  
Carroll  
Cavalcante  
Celler  
Chesney  
Christopher  
Chudoff  
Clemente  
Cooley  
Crook  
Crosier  
Davenport  
Davies, N. Y.  
Dawson  
Deane  
Delaney  
Denton  
Dingell  
Dollinger  
Douglas  
Eberharter  
Feighan  
Flood

Boykin  
Bulwinkle  
Chatham  
Furcolo  
Gilmer  
Kearns  
Kee

Fogarty  
Forand  
Garmatz  
Gordon  
Gorski, Ill.  
Gorski, N. Y.  
Granahan  
Granger  
Green  
Havenner  
Hays, Ohio  
Heffernan  
Heller  
Hollfield  
Howell  
Huber  
Jackson, Wash.  
Jacobs  
Karst  
Karsten  
Kelley  
Keogh  
King  
Kirwan  
Klein  
Lane  
Lesinski  
Lind  
Linehan  
Lynch  
McCarthy  
McCormack  
McGrath  
McGuire  
McKinnon  
McSweeney  
Mack, Ill.  
Madden  
Magee  
Mansfield  
Marcantonio  
Marsalis  
Marshall

Kilday  
McMillen, Ill.  
Morrison  
Peterson  
Pfeifer,  
Joseph L.  
Plumley

NOT VOTING—20

So the amendment was agreed to.  
The Clerk announced the following pairs:

On this vote:

Mr. Kilday for, with Mr. Rooney against.  
Mr. Thomas of New Jersey for, with Mr. Joseph L. Pfeifer against.

Additional general pairs:

Mr. Morrison with Mr. McMillen of Illinois.  
Mr. Staggers with Mr. Plumley.  
Mr. Whitaker with Mrs. St. George.  
Mr. Gilmer with Mr. Taber.  
Mr. Peterson with Mr. Kearns.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit, which is on the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill (H. R. 4009) to the Committee on Banking and Currency with instructions to report the same to the House forthwith with the following amendments: Strike out all after the enacting clause and insert in lieu thereof the following: That this act may be cited as the "Housing Act of 1949."

"TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

"LOCAL RESPONSIBILITIES

"Sec. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

"LOANS

"Sec. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date such loans are made, as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not



less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date such loans are made), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

"(e) To provide funds for loans under this title, there is hereby authorized to be appropriated (1) for the fiscal year ending June 30, 1950, not to exceed \$25,000,000, (2) for the fiscal year ending June 30, 1951, not to exceed \$225,000,000, and (3) for each of the three following fiscal years, not to exceed \$250,000,000.

#### "CAPITAL GRANTS"

"Sec. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President and to the extent appropriated funds are available for such purpose, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively.

#### "REQUIREMENTS FOR LOCAL GRANTS-IN-AID"

"Sec. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this

title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 108 (f) of land in such projects).

#### "LOCAL DETERMINATIONS"

"Sec. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment.

"(d) The redevelopment plan for the project area include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement, of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of new dwellings contemplated by such plan.

"(e) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10 nor more than 20 days prior to the date of such hearing.

#### "GENERAL PROVISIONS"

"Sec. 106. (a) The Administrator shall make an annual report to the President with respect to his functions under this title, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts

as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

"(e) Not more than 10 percent of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### "PROTECTION OF LABOR STANDARDS"

"Sec. 107. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development of the project involved; and the Administrator may require certification as to compliance with the provisions of this



paragraph prior to making any payment under such contract;

"(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### "DEFINITIONS

"SEC. 108. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area; *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 107

hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 108 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (1) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(i) 'Administrator' means the Housing and Home Finance Administrator.

#### "TITLE II—WAR HOUSING DISPOSAL

##### "DEFINITIONS

"SEC. 201. For the purposes of this title—  
"(1) The term 'Administrator' means the Federal Works Administrator.

"(2) The term 'Lanham War Housing Act' means the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended.

"(3) The term 'war housing' means any interest, owned by the United States and under the control of the National Housing Agency, in (A) housing (other than temporary housing) acquired or constructed under the Lanham War Housing Act, under the Second Supplemental National Defense Appropriation Act, 1941 (Public, No. 781, 76th Cong.), as amended, under the Urgent Deficiency Appropriation Act, 1941 (Public Law 9, 77th Cong.), or under the Second Deficiency Appropriation Act, 1944 (Public Law 375, 78th Cong.), and (B) such other property as is determined by the Administrator to be essential to the use of such housing.

"(4) The term 'veteran' means (A) any person in the active military or naval service of the United States during the present war, or (B) any person who served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable after active service of 90 days or more or by reason of an injury or disability incurred in service in line of duty.

"(5) The term 'dwelling' means a war housing building designed for residential use of one or more families.

"(6) The term 'dwelling unit' means a dwelling, or that part of a dwelling, which is designed for residential use of one family.

#### "TRANSFER OF WAR HOUSING TO FEDERAL WORKS ADMINISTRATION

"SEC. 202. (a) The functions of the Housing and Home Finance Administrator and of the Housing and Home Finance Agency with respect to war housing are hereby transferred to the Administrator.

"(b) There are hereby transferred to the Administrator, to be used or held in connection with the exercise of the functions transferred by this section, (1) the records and property used or held on the date of the enactment of this title in connection with such functions, and (2) so much of the unexpended balances of appropriations, allocations, or other funds available for use by the Housing and Home Finance Administrator or the Housing and Home Finance Agency in the exercise of such functions as the Director of the Budget shall determine.

#### "SALE OF WAR HOUSING

"SEC. 203. (a) All war housing (except mortgages, liens, or other interests as security) transferred to the Administrator by section 202 shall, subject to the provisions of this title, be sold for cash as expeditiously as possible and not later than December 31, 1950. Wherever practicable each dwelling in a war-housing project shall be offered for sale separately from other dwellings in such project. Any mortgage, lien, or other interest as security transferred to the Administrator by section 202 or acquired by him under this title pursuant to a contract entered into prior to February 26, 1947, may, subject to the provisions of this section, be sold for cash.

"(b) (1) Except as provided in paragraph (2) of this subsection, the price to be paid for war housing sold under this title shall be a price not less than the reasonable value thereof at the time of the offer for sale as determined by appraisal made by an appraiser or appraisers designated by the Federal Housing Commissioner.



"(2) The price to be paid for any mortgage, lien, or other interest as security sold under this section shall be a price not less than the unpaid principal (plus accrued interest thereon) of the obligation with respect to which the mortgage, lien, or other interest as security is held.

"(c) Except as provided in subsections (a) and (b), the sale of war housing under this title shall be with or without warranty and upon such other terms and conditions as the Administrator deems proper.

#### "TRANSFER OF WAR HOUSING TO THE DEPARTMENTS OF THE NATIONAL MILITARY ESTABLISHMENT"

"SEC. 204. Notwithstanding the provisions of this title or any other provision of law, the Administrator may, in his discretion, upon the request of the Secretary of Defense, transfer to the jurisdiction of any Department of the National Military Establishment any war housing situated within the proximate vicinity of any permanent Army, Navy, or Air Force establishment, if a request for such transfer was on file April 15, 1947.

#### "WAR HOUSING MORTGAGE INSURANCE"

"SEC. 205. Title VI of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following:

"SEC. 612. (a) The Administrator is authorized, upon application by the mortgagee, to insure under section 603 or 608 of this title any mortgage executed in connection with the sale by the Federal Works Administrator of any housing (including property determined by the Federal Works Administrator to be essential to the use of such housing) transferred to the Federal Works Administrator by the War Housing Disposal Act of 1947 without regard to—

"(1) any limit as to the time when any mortgage may be insured under this title;

"(2) any limits as to the aggregate amount of principal obligations of all mortgages insured under this title, but the aggregate amount of principal obligations of all mortgages insured pursuant to this section shall not exceed \$750,000,000;

"(3) any requirement that the obligation be approved for mortgage insurance prior to the beginning of construction or that the construction be new construction;

If such mortgage is otherwise eligible for insurance under such section and is eligible for insurance under subsection (b) of this section.

"(b) To be eligible for insurance pursuant to this section a mortgage shall—

"(1) have a maturity satisfactory to the Administrator but not to exceed twenty-five years from the date of the insurance of the mortgage.

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the reasonable value of the mortgaged property as determined by appraisal made by an appraiser or appraisers designated by the Administrator."

#### "PREFERENCES"

"SEC. 206. (a) Preference in the purchase of any dwelling designated for occupancy by less than five families shall be granted to veterans and their families and to occupants over other prospective purchasers of such dwelling in the following order:

"(1) A veteran and his family who occupy a dwelling unit in the dwelling to be sold.

"(2) A veteran and his family who do not occupy a dwelling unit in the dwelling to be sold but who intend to occupy a dwelling unit in the dwelling to be purchased; but if the dwelling is designed for occupancy by two, three, or four families, equal preference shall be granted to a private corporation, association, or cooperative society which is the legal agent of veterans and their families who intend to occupy the dwelling purchased by such corporation, association, or society.

"(3) A nonveteran who occupies a dwelling unit in the dwelling to be sold.

"(b) In the case of any war housing project where it is not practicable to offer each dwelling for sale separately from other dwellings in the project and in the case of any dwelling designed for occupancy by more than four families, preference in the purchase thereof shall be granted first to any private corporation, association, or cooperative society which is the legal agent of veterans who intend to occupy the war housing purchased by such corporation, association, or society, and second to any city, village, town, county, or other political subdivision, or public agency or corporation (including a housing authority), in whose area of jurisdiction or operation any such dwelling is located.

"(c) The Administrator shall give such notice in such manner as he deems reasonable to enable prospective purchasers who have a preference under this section in the purchase of war housing to exercise such preference. Any prospective purchaser having a preference under subsection (a) in the purchase of any dwelling may apply for the purchase of such dwelling (1) if the preference is under paragraph (1), within 30 days after the date of the notice of the offer for sale, (2) if the preference is under paragraph (2), within 60 days after the date of the notice of the offer for sale, and (3) if the preference is under paragraph (3), within 90 days after the date of the notice of the offer for sale. Any corporation, association, or society having a preference under subsection (b) in the purchase of any war housing may apply for the purchase of such housing within 180 days after the date of the notice of the offer for sale.

#### "SALES WITHOUT PREFERENCE"

"SEC. 207. If any dwelling or war housing project is not sold to a purchaser who is granted a preference under section 205 and who applied within the time prescribed in subsection (c) of such section, such dwelling or war housing project shall be sold as provided in this title without regard to any preferences granted under section 205 and without regard to any restrictions contained in any other law as to whom war housing may be sold.

#### "TITLE OF PURCHASER"

"SEC. 208. A deed or other instrument executed by or on behalf of the Administrator purporting to transfer title or any other interest in property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as title or other interest of any bona fide purchasers for value is concerned.

#### "VALIDITY OF CONTRACTS"

"SEC. 209. Nothing in this title shall be deemed to impair or modify any contract entered into prior to February 26, 1947, for the sale of property, or any term or provision of any such contract, without the consent of the purchaser or his assignee, if the contract or the term or provision thereof is otherwise valid.

#### "DISPOSITION OF PROCEEDS"

"SEC. 210. Moneys derived by the Administrator from the disposition of war housing under this title shall be covered into the Treasury as miscellaneous receipts.

#### "TITLE III—VETERANS' HOMESTEAD ASSOCIATIONS"

"SEC. 301. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by inserting immediately after section 510 thereof the following new sections:

##### "VETERANS' HOMESTEAD ASSOCIATIONS"

"SEC. 511. (a) In enacting this section to alleviate the existing housing shortage, it is the intent of the Congress to provide means of ownership and financing, within the framework of our private enterprise system and without vast expenditures of public

moneys, whereby veterans themselves, associated together within their own communities, can build, buy, or rent homes upon terms which veterans can afford; and to provide the public facilities essential to such homes without the imposition of additional financial burdens upon veterans who may be owners thereof or tenants therein.

#### "DEFINITIONS"

"(b) As used in this section, except where the context otherwise requires, the term—

"(1) 'Association' means a veterans' homestead association chartered pursuant to this act.

"(2) 'Housing' means permanent type of housing; does not include transient housing such as tourist cabins, motor courts, or apartment hotels; but may include multi-family dwellings or single-family dwellings, whether located on contiguous or scattered sites.

"(3) 'Improve' as applied to real property shall include (a) grading, landscaping, and any other site development; and (b) construction, repair, remodeling, or demolition (whether for salvage or reuse) of buildings and other structures thereon.

"(4) 'Real property' means lands, whether or not improved, and any buildings or other structures thereon, including fixtures and personalty attached thereto.

"(5) 'Public facilities' includes public highways and parks, roads, streets, curbs, gutters, and sidewalks, bus stations and bus stops, water storage, purification and distribution works, sewage, garbage and refuse collection, treatment and disposal facilities (including trunk and lateral sewers), fire stations, fire equipment and fire plugs, street-lighting facilities, schools, community centers, and recreational facilities.

"(6) 'Veteran' means any person described under the provisions of subsection 500 (a) of this title.

#### "ORGANIZATION OF VETERANS' HOMESTEAD ASSOCIATIONS"

"(c) The Administrator is hereby authorized, subject to the provisions of this section and under such rules and regulations as he may prescribe, to provide for the organization, incorporation, examination, operation, and regulations of associations to be known as "veterans' homestead associations," and to issue charters therefor in such form as he may prescribe, and to consent to the amendment of any such charter: *Provided*, That a certified copy of all such charters shall be filed in each county where such association operates.

#### "QUALIFICATION FOR MEMBERSHIP"

"(d) Five or more veterans of ability, good character, and responsibility as determined by the Administrator, may apply for a charter hereunder. Each association shall determine its own rules of eligibility for membership therein subject only to the conditions that (1) membership shall be limited to veterans; (2) no veteran shall become or remain a member unless and until his accumulated payments to the association, in accordance with subsection (j) shall equal or exceed \$100; and (3) no veteran shall become a member of an association until he has executed and filed with the Veterans' Administration an affidavit to the effect that he is not a Communist and does not belong to any subversive organization.

#### "PRIMARY PURPOSE OF ASSOCIATIONS"

"(e) Each organization shall be organized and shall operate on a nonprofit basis. It shall have as its primary purposes, (1) to acquire and improve real property to provide housing to be sold to veterans for occupancy by themselves, personally, together with their families or dependents; (2) to acquire and improve and to operate and maintain real property to provide multi-unit housing, including such commercial and community facilities as may be reasonably necessary or desirable to facilitate the



use thereof for residential purposes, to be rented to veterans for occupancy by themselves, personally, together with their families or dependents; and (3) to acquire and improve, and to operate and maintain real property to provide multiunit housing, including such commercial and community facilities as may be reasonably necessary or desirable to facilitate the use thereof for residential purposes, to be owned or held by the members of the association on a mutual or cooperative basis, to be occupied by themselves, personally, together with their families or dependents. To this end, and pursuant to rules and regulations issued by the Administrator, each association shall provide maximum opportunity and priority for the purchase or rental of such housing, first to members of such associations, and second, to nonmember veterans.

#### "NUMBER OF ASSOCIATIONS

"(f) The Administrator may, in his discretion, charter one or more associations in any locality; and he may, in his discretion, refuse to charter any proposed association upon his finding that the veterans in the locality in which it is proposed that such association would operate are or will be adequately served by an association or associations then already chartered for operation in such locality.

#### "POWER OF VETERANS HOMESTEAD ASSOCIATIONS

"(g) Under rules and regulations issued by the Administrator, each association shall have the following powers:

"(1) Subject to the provisions and limitations of this section, to purchase, or otherwise acquire, any real property or leasehold or other interest therein, whether improved or unimproved, to subdivide, construct improvements on, repair, modernize, renovate, maintain, and operate any such property, and to purchase, or otherwise acquire, any personal property necessary or desirable for any of the foregoing.

"(2) Subject to the provisions and limitations of this section, to hold, sell, or contract for the sale of, lease, rent, mortgage, or otherwise deal with, encumber, hypothecate, or dispose of any acquired property; all on such terms and conditions as may be deemed proper and consistent with other provisions of this act: *Provided, however*, That so long as any association is obligated to the Administrator on account of advances or loans made under subsection (m) hereof no association may pledge, mortgage, or otherwise create a lien upon or encumber any real property to which it holds title without the consent of the Administrator: *And provided further*, That each unit sold to or held in cooperative or mutual ownership by an eligible veteran shall be reported to the Administrator, who shall charge against such veteran's guaranty benefit the maximum amount so chargeable if a loan for the full purchase price or cost of such unit had been guaranteed or insured under this title, and shall pay an amount equivalent to 4 percent of the amount so charged to the association to be credited upon the obligation of such veterans to the association, unless such charge and such payment are required to be made otherwise to finance the purchase of such unit.

"(3) To purchase, construct, improve, or otherwise provide, to receive grants for, and to maintain and operate public facilities (which shall include for this purpose gas and electric distribution lines and facilities) reasonably necessary or desirable for the housing provided by or of the association, where such public facilities are then not otherwise available for such housing: *Provided*, That no association shall operate any mercantile establishment or other commercial enterprise, or operate any amusement enterprise.

"(4) To borrow money as may be required within the purposes and limitations

of this section, and to execute notes or other obligations therefor.

"(5) To build up and maintain reasonable reserves: *Provided, however*, That such reserves shall not exceed in the aggregate 5 percent of the total obligations of such associations outstanding from time to time.

"(6) To make, adopt, repeal, and amend bylaws; to employ and to pay reasonable salaries to, the employees of the associations for services performed. Employees need not be veterans.

"(7) To exercise such other powers, not inconsistent with this title, as are appropriate for the conduct of the business of the association.

"(8) To require that all officers and employees of the association who handle funds of the association be bonded by an approved surety company in an adequate amount.

#### "ANNUAL AND OTHER REPORTS OF ASSOCIATIONS

"(h) Every association shall file, with the Administrator, not later than 45 days after the close of its fiscal year, an annual financial statement and shall also furnish to him such other financial statements, at such other times as he may require. All such reports shall be in such form and in such detail as may be prescribed by the Administrator. The Administrator shall make, annually and at such other times as he deems necessary, an examination of the financial books, records, and affairs of each association, in the manner customary for supervision of fiduciary institutions.

#### "PAYMENTS BY ASSOCIATION MEMBERS

"(1) Members of an association shall not be required to pay dues. Each association shall provide in its bylaws for the payment by each prospective member of the sum of \$100 to be credited on the books of the association to the credit of such persons. The sums so paid shall not bear interest. Each such sum shall be entered on the books of the association as a credit to the member making such payment for possible application either (1) as payment on a home purchased by such member from the association; or (2) as security for rent on a home rented from the association by such member. Each association shall provide further in its bylaws that a member may voluntarily withdraw from such association at any time and may receive back an amount equal to the amount of his payment to the association (unless such payments shall have been applied as payment on a home purchased by such member from the association or is held by the association as security for the payment of rent), but only after 1 year following the date of the initial payment and then only upon 60 days' notice to the association.

#### "LIMITATION ON COST AND AMOUNT OF HOUSING

"(k) No association shall purchase or improve, or contract for the purchase or improvement of, or otherwise acquire, any real property, unless, in the opinion of the Administrator, (1) the estimated final cost of the proposed housing (exclusive of related real property designed for commercial operation), as determined by the amounts of firm contracts for the acquisition of real property, the improvement thereof, the construction of buildings and the acquisition of related personal property, plus an amount equal to 5 percent of such contracts plus an allocable share of the estimated indirect or overhead costs and expenses of the association, fairly attributable to such housing, will not exceed a sum equal to the product of the number of family units in such housing multiplied by \$10,000; (2) such housing will afford living accommodations for sale or rent to veterans at prospective prices or terms favorable in comparison with any like or similar living accommodations currently available in the locality; (3) the total number of units thereby provided will not be in excess of either the number of members of such association or

the number of veterans in the community who may reasonably be considered, in the opinion of the Administrator, prospective purchasers of or tenants of such units.

#### "SALE OR RENTAL OF HOUSING OR REAL PROPERTY

"(k) (1) Subject to such exceptions as the Administrator may approve, all real property of an association shall be sold or leased for such prices or at such rents, as the case may be, as shall reasonably represent the actual cost thereof to the association, including (i) all costs of acquisition, construction, or improvement; (ii) interest on and amortization of obligations of the association fairly attributable to such housing; (iii) direct costs of operation and maintenance of such housing; and (iv) an allocable share of the overhead or indirect costs and expenses of the association fairly attributable to such housing, plus a reasonable contribution to the reserves to be built up and maintained under subsection (h) hereof, nor shall any sale by an association of a commercial unit, or of a dwelling unit other than the sale of a cooperative interest in a multiunit structure, be financed by an association.

"(2) Any deed or other instrument made by an association for the sale of its housing shall provide that such property shall not be conveyed or otherwise disposed of by the purchaser voluntarily within 3 years from the date of acquisition of such housing by such purchaser unless it shall first have been offered for sale back to the association at the original price paid to such association by such purchaser, less any depreciation which shall have occurred by that time and plus the fair value of any improvements which such purchaser shall have made to such property: *Provided*, That no association may use the property as security for additional loans after deed has been delivered to a veteran, even though the association retains an interest in the property.

"(3) As a condition to every sale of housing by an association to a veteran, such veteran shall furnish to such association an affidavit stating that he has not theretofore purchased any housing from any association which has not been offered for sale back to the association and he does not own any housing acquired from any association chartered under this title.

"(4) As a condition of every sale by an association to a veteran, such association shall furnish to such veteran an affidavit stating that no other veteran has purchased the property and if the property has been repurchased from a veteran by the association, the association will guarantee the title as free and clear of encumbrances, except those to be assumed by the new purchaser.

"(5) Every lease made by an association shall contain a prohibition against subleasing without the consent of the association.

#### "LOANS BY ADMINISTRATOR TO ASSOCIATIONS

"(1) The Administrator is authorized in his discretion to make either short-term or long-term loans to any association, upon either a secured or unsecured basis, for any of the purposes authorized by this section for which funds may be required by such association, including initial working capital and development expenses preliminary to the commencement of actual construction of housing. Advances made on a short-term basis may be refunded on a long-term basis, or may be repaid upon such terms and conditions as the Administrator may prescribe.

"(1) The interest rate charged to an association on any such borrowings shall not exceed such rate as may be fixed by the Administrator with the approval of the Secretary of the Treasury: *Provided*, That an association may obtain funds for its purposes by borrowings from private lending sources on such terms with respect to rates of interest,



maturity, and other matters as it may agree upon.

"(2) Any loans so made by the Administrator, except as to advances made for interim or temporary purposes, shall be repaid—

"(i) within a period of 40 years, if the proceeds of such loans are employed by the association to acquire or improve, and to operate and maintain, multiunit structures to be rented;

"(ii) within a period of 32 years, if the proceeds of such loan are employed by the association to construct or to purchase, and to operate and maintain, multiunit structures sold or held on a mutual or cooperative basis;

"Provided, That cash receipts incoming to an association by reason of the sale of any other housing shall be transferred or paid to the Administrator for credit upon the obligations of the association to the Administrator. Each association to which any such loan may be made shall make, issue, and deliver to the Administrator, its note in the principal amount of such loan. Each such note shall be a nonnegotiable, unconditional obligation of the association, issued against its general credit, and payable from its general assets.

#### "TAX EXEMPTIONS

"(m) Notwithstanding any provisions of the Internal Revenue Code or any other law to the contrary, the net earnings of any association shall be exempted from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or other local taxing authority.

"(n) Subject to the provisions of subsection (m) hereof, no State, county, municipal, or other local taxing authority shall impose any tax upon any such association or its charter and franchise, capital, reserves, property, surplus, loans, or income, greater than that imposed by such taxing authority on other similar local nonprofit associations.

#### "FUNDS OF ASSOCIATION

"(o) The funds of an association may, as provided by its bylaws and in accordance with rules and procedures issued by the Administrator, be deposited in any bank or banks. No association shall invest its funds in any securities except obligations of the United States of America, or obligations unconditionally guaranteed by the United States as to the payment of both principal and interest, or obligations of a State, and, in any event no such investment shall be made except with the approval of the Administrator or pursuant to rules and regulations issued by him.

#### "DISTRIBUTION OF EARNINGS

"(p) At the end of any fiscal year any net earnings remaining to an association, after fully providing for the payment of all debts and obligations of such association, then due, and after providing for the reserves then currently required, shall be set aside in a special account to be used (i) for the reduction by the association of its notes or other obligations then outstanding, or (ii) with the express approval of the Administrator, for any other lawful purpose of the association.

#### "DISSOLUTION OF ASSOCIATIONS

"(q) (1) If the members or directors of any association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of such association to violate any of the provisions of this section or of the rules or regulations issued thereunder, the charter, and all the rights, privileges, and franchises of such association shall be forfeited. Such violation shall, however, be determined and adjudged by a proper district court of the United States in a suit brought for the purposes by the Administrator, in his own name, before such association shall be declared dissolved.

"(2) Any association may, at any time, apply to the Administrator for its voluntary dissolution, and if, in his judgment, adequate provision shall have been made for the payment in full of all debts and obligations of such association, he shall promptly effect such dissolution.

"(3) Upon any dissolution, whether voluntary or involuntary, the net assets of an association, remaining after payment in full of all its debts and obligations, shall be liquidated under the supervision of the Administrator and the proceeds thereof shall be covered into the United States Treasury as miscellaneous receipts.

"(r) In any event upon the maturity of all obligations owing to the United States for the financing of properties held for rent under this section, such properties shall be transferred and conveyed to the Administrator of Veterans' Affairs who shall dispose of them for the benefit of the United States and, after payment from the proceeds thereof of any other obligations of the association which it may be proper to so pay, shall cover the remaining proceeds into the Treasury of the United States as miscellaneous receipts.

"(s) The power of the Administrator to issue rules and regulations for the effective implementation and administration of this section, pursuant to the provisions hereof, and not in conflict herewith, shall include, but not by way of limitation, the power—

"(1) to provide such supervision of associations as he may deem necessary for the proper administration of this section;

"(2) to provide for the reorganization, consolidation, merger, or liquidation of any association or associations;

"(3) to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the assets, liabilities, and surplus of the same; and to release any such association from such control and permit its further operation: *Provided*, That in any case where the Administrator appoints a conservator or a receiver for any association, such conservator or receiver shall act primarily for the protection of the creditors of such association;

"(4) to delegate and authorize successive redelegation of any authority conferred upon him by or pursuant to this section, to any official or employee of the Veterans' Administration. The Administrator shall not act through, or delegate any such authority to, any other agency or any official or employee thereof.

#### "CRIMINAL PROVISIONS

"(x) (1) Whoever, being connected in any capacity with an association (i) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it; or (ii) with intent to defraud an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Veterans' Administration or of an association, makes any false entry in any book, report, or statement of or to the Veterans' Administration or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any bond, note, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be guilty of a felony and punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

"(2) Any veteran who willfully and knowingly makes any false statement in the affidavit required by section 511 (1) (3) to be furnished by him to an association in connection with his purchase of housing from such association shall be guilty of a felony and punished by a fine of not more than \$10,000 or by imprisonment for not more than 5 years, or both.

#### "MATURITY OF GUARANTEED OR INSURED LOANS

"(u) Notwithstanding the 25-year limitation set forth in 500 (b) of this title, any loan made to a veteran for the purpose of purchasing a home from an association may have a maximum maturity not in excess of 32 years.

#### "TIME LIMITATION

"(v) The authority of the Administrator to issue charters to associations and to make loans to associations hereunder shall expire July 25, 1957.

#### "ADVISORY COUNCIL

"(w) There is hereby authorized to be established an advisory council to aid and advise the Administrator in the execution of his duties in relation to veterans' homestead associations. The council shall consist of the Administrator of Veterans' Affairs, who shall be Chairman; the Secretary of Agriculture; the Administrator of the Housing and Home Finance Agency; the Administrator of the Federal Works Agency; and six representatives of the public to be appointed by the Administrator of Veterans' Affairs, who shall be recognized leaders in the fields of finance, real estate, business administration, construction, labor, and housing. The members of the council shall not receive any compensation for their services on the council, but the Administrator of Veterans' Affairs is authorized to provide that the members receive a reasonable per diem allowance for each day of actual service, and in addition thereto be reimbursed for their necessary traveling expenses while on the business of the council.

#### "GRANTS FOR PUBLIC FACILITIES ESSENTIAL TO VETERANS' HOUSING

"SEC. 512. (a) The Federal Works Administrator is hereby authorized to make grants to States, political subdivisions thereof, other public bodies, and to associations for the construction, repair, improvement, or extension of public facilities wherever the Administration of Veterans' Affairs shall find that such public facilities are necessary for or will facilitate the more effective use within the community of housing provided and to be provided for veterans under section 511 hereof.

#### "AMOUNT OF GRANT

"(b) The amount of any grant made hereunder shall not exceed 50 percent of the cost, as determined by the Federal Works Administrator, of the public facilities provided therewith.

#### "GENERAL CONDITIONS OF GRANT

"(c) No grant shall be made hereunder unless—

"(1) the public facilities for which such grant is made shall be determined by the Federal Works Administrator to conform to any applicable over-all State, local, or regional development plan approved by competent State, local, or regional authority; and

"(2) the public body or association to which such grant is made shall give assurance, satisfactory to the Federal Works Administrator, that (i) it will adequately maintain the public facilities for which such grant is made; (ii) the assessments or other charges which would otherwise be imposed for the provision of such public facilities will be reduced by an amount equal to the grant; and (iii) in the case of a public body, it will make available, for the housing for which such public facilities are provided, all other public facilities it then provides for other housing generally, and upon like terms and conditions.

#### "SPECIAL CONDITIONS OF GRANTS TO ASSOCIATIONS

"(d) No grant shall be made hereunder to any associations unless (in addition to the conditions specified in subsection 512 (c) here)—



"(1) the Federal Works Administrator shall determine that the type of public facilities for which such grant is made are, under applicable local law or practice, customarily provided in the first instance by real estate developers or builders; and

"(2) such association shall agree to transfer such public facilities after completion, without compensation, to an appropriate local public body, if and whenever any such local public body may be willing to dedicate such public facilities to public use and to maintain them under the conditions specified in subsection 512 (c) hereof.

#### "DELEGATION OF AUTHORITY

"(e) The Federal Works Administrator may delegate and authorize successive re-delegation of any authority conferred upon him by or pursuant to this chapter to any official or employee of the Federal Works Agency.

#### "PROVISION OF FUNDS

"SEC. 513. In order to carry out the provisions of this title there is hereby authorized to be appropriated the sum of \$50,000,000 for the purposes of section 512 and the sum of \$250,000,000 for the purposes of section 511."

#### "TITLE IV—FARM HOUSING

##### "FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

"SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the Secretary) is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

"(b) For the purpose of this title the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal State, or local public agency, and his determination shall be conclusive.

"(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### "LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

"SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and

the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

"(b) The instruments under which the loan is made and the security given shall—

"(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

"(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

"(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

"(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### "LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

"SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402.

##### "OTHER SPECIAL LOANS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

"SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwelling occupied by him in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a loan to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improve-

ments. No loan shall be made to any one individual under the provisions of this section in excess of \$1,000 for any one farm or dwelling or building owned by such individual, or in excess of \$2,000 in the aggregate to any one such individual. Such loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. In the case of such loan with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the loan, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the loan.

##### "TECHNICAL SERVICES AND RESEARCH

"SEC. 405. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services, such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies, including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

##### "PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

"SEC. 406. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

##### "LOCAL COMMITTEES TO ASSIST SECRETARY

"SEC. 407. (a) For the purposes of this subsection and subsection (b) of this section, the



Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title, and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### "GENERAL POWERS OF SECRETARY

"SEC. 408. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan to agree that the availability of improvements constructed or repaired with the proceeds of the loan under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 409. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 402 to 404, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal

liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the district, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled 'An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836), as such act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### "LOANS

"SEC. 410. There is hereby authorized to be appropriated to the Secretary to make loans under this title \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952.

#### "TITLE V—HOUSING RESEARCH

"SEC. 501. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Secretary of Commerce shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimu-

late the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardize dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Secretary for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Secretary for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine. The Secretary shall disseminate the results of such research and studies in such form as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"SEC. 302. In carrying out research and studies under this title, the Secretary shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Secretary is further authorized, for the purposes of



this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Secretary may exercise any of the powers vested in the Housing and Home Finance Administrator by section 502 (c) of the Housing Act of 1948.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title."

**"TITLE VI—AMENDMENTS TO NATIONAL HOUSING ACT"**

"Sec. 601. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949.'"

Amend the title so as to read: "A bill to provide for the expenditure of Federal funds to assist slum-clearance projects initiated by local agencies, to assist veterans in building homes, to enable the Secretary of Agriculture to provide financial assistance for farm housing, for housing research, and for other purposes."

Mr. HALLECK. Mr. Speaker, the motion to recommit is rather lengthy. It is 72 pages. I have discussed the matter with some of the Members on the other side, and in view of that I ask unanimous consent that in lieu of the reading of the motion to recommit, the gentleman from Michigan [Mr. WOLCOTT], may be permitted to address the House for 4 minutes to explain the provisions of the motion.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SPENCE. Reserving the right to object, Mr. Speaker, this is merely an explanation, without any argument?

Mr. HALLECK. That is correct.

Mr. SPENCE. And it will be limited to 4 minutes?

Mr. HALLECK. That is correct.

Mr. SPENCE. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, if I make any argument or engage in any oratory, I hope the Chair will check me.

The SPEAKER. The Chair will watch the gentleman closely.

Mr. WOLCOTT. Mr. Speaker, the motion to recommit contains six titles.

Title I is slum clearance. In substance it provides \$1,000,000,000 of loans and \$500,000,000 in grants spread over a 5-year period. The principal difference between the provisions of the motion to recommit and the bill which we have been considering is that the plan must be submitted to the Congress and appropriations made through the usual channels before the program is completed, and it also provides for a demon-

stration or for the repair and putting into sanitary and safe condition of a comparable number of units in slum areas as contained in the program.

Title II is the bill which we passed last year, known as the bill to dispose of the Lanham permanents. There are in the neighborhood of 331,381 of these Lanham permanents. I think we are all familiar with them. Title II is the provision which we passed last year in the House, but which did not pass the Senate, for the disposition of the Lanham permanents with very high veteran priority.

Title III is known as the veterans' homestead law, with which we are all familiar. It was reported out of the Committee on Veterans' Affairs last year, but did not pass the Senate. It provides for direct loans to veterans, and so forth, and sets up a fund of about \$300,000,000.

Title IV is the farm title. This is quite similar to the farm title of the bill H. R. 4009, which is now pending before us, except instead of raising the money by authorizing the Secretary of Agriculture to bypass the Congress and issue notes, bonds, and debentures likewise, as in title I—the slum-clearance title—the program must be presented to the Congress and appropriations will be made in the usual way for the program.

Title V is housing research, but instead of the research being conducted by the Administrator of the Housing and Home Finance Agency, it provides that the research be done by the Department of Commerce, believing that it had better be there than in those interested solely in this program.

Title VI includes an extension of Title I and title VI FHA financing which we adopted here as a committee amendment offered by the gentleman from Kentucky [Mr. SPENCE] on yesterday. It is identical with Senate Joint Resolution 109, which has passed the Senate, and is identical with the amendment which we adopted here yesterday continuing Title I and title VI of the FHA for 60 days.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman offers a motion to recommit in lieu of the present bill?

Mr. WOLCOTT. The motion to recommit strikes out all after the enacting clause and is a substitute for the committee bill.

Mr. SPENCE. It is a new bill.

Mr. WOLCOTT. It is.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. WOLCOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 241, answered "present" 2, not voting 19, as follows:

[Roll No. 119]

**YEAS—170**

Abernethy	Andersen,	Andresen,
Allen, Calif.	H. Carl	August H.
Allen, Ill.	Anderson, Calif.	Andrews

Angell	Hale	Nelson
Arends	Hall,	Nicholson
Auchincloss	Edwin Arthur	Nixon
Barrett, Wyo.	Hall,	Norblad
Bates, Mass.	Leonard W.	Norrell
Beall	Halleck	O'Hara, Minn.
Bennett, Mich.	Harden	Patterson
Bishop	Hare	Phillips, Calif.
Blackney	Harrison	Pickett
Boggs, Del.	Harvey	Potter
Bolton, Md.	Herlong	Poulson
Bramblett	Herter	Rankin
Brehm	Hill	Reed, Ill.
Brown, Ohio	Hinshaw	Reed, N. Y.
Bryson	Hobbs	Rees
Burleson	Hoeven	Rich
Byrnes, Wis.	Hoffman, Mich.	Rogers, Mass.
Case, S. Dak.	Hope	Sadlak
Chelf	Horan	Sanborn
Chiperfield	Jackson, Calif.	Scott,
Church	James	Hugh D., Jr.
Clevenger	Jonson	Scrivner
Cole, Kans.	Jenkins	Scudder
Cole, N. Y.	Jennings	Shafer
Colmer	Jensen	Short
Corbett	Johnson	Simpson, Ill.
Cotton	Judd	Simpson, Pa.
Coudert	Kearney	Smith, Kans.
Cox	Keefe	Smith, Va.
Cunningham	Kilburn	Smith, Wis.
Curtis	Kruse	Stanley
Dague	Kunkel	Tackett
Davis, Ga.	Larcade	Talle
Davis, Wis.	Latham	Thomas, Tex.
D'Ewart	LeCompte	Towe
Dolliver	LeFevre	Van Zandt
Dondero	Lemke	Velde
Eaton	Lichtenwalter	Vorvys
Elston	Lovre	Vursell
Fallon	Lucas	Wadsworth
Fellows	McConnell	Weichel
Fenton	McCulloch	Werdell
Fisher	McDonough	Whitten
Ford	McGregor	Whittington
Gamble	McMillan, S. C.	Wickersham
Gary	Mack, Wash.	Wigglesworth
Gathings	Macy	Williams
Gavin	Martin, Iowa	Wilson, Ind.
Gillette	Martin, Mass.	Wilson, Tex.
Golden	Mason	Winstead
Goodwin	Merrrow	Wolcott
Gossett	Meyer	Wood
Graham	Miller, Md.	Woodruff
Gross	Miller, Nebr.	
Gwinn	Murray, Tenn.	
Hagen	Murray, Wis.	

**NAYS—241**

Addonizio	Crawford	Hays, Ark.
Albert	Crook	Hays, Ohio
Allen, La.	Crosser	Hébert
Aspinall	Davenport	Hedrick
Bailey	Davies, N. Y.	Heffernan
Barden	Davis, Tenn.	Heller
Baring	Dawson	Heseltun
Barrett, Pa.	Deane	Hoffman, Ill.
Bates, Ky.	DeGraffenried	Holifield
Battle	Delaney	Holmes
Beckworth	Denton	Howell
Bennett, Fla.	Dingell	Huber
Bentsen	Dollinger	Hull
Biemiller	Donohue	Irving
Bland	Doughton	Jackson, Wash.
Blatnik	Douglas	Jacobs
Boggs, La.	Doyle	Javits
Bolling	Durham	Jonas
Bolton, Ohio	Eberharter	Jones, Ala.
Bonner	Elliott	Jones, Mo.
Bosone	Ellsworth	Jones, N. C.
Breen	Engel, Mich.	Karst
Brooks	Engle, Calif.	Karsten
Brown, Ga.	Evins	Kean
Buchanan	Feighan	Keating
Buckley, Ill.	Fernandez	Kelley
Buckley, N. Y.	Flood	Kennedy
Burdick	Fogarty	Keogh
Burke	Forand	Kerr
Burnside	Frazier	King
Burton	Fugate	Kirwan
Byrne, N. Y.	Fulton	Klein
Camp	Furcolo	Lane
Canfield	Garmatz	Lanham
Cannon	Gordon	Lesinski
Carlyle	Gore	Lind
Carnahan	Gorski, Ill.	Linehan
Carroll	Gorski, N. Y.	Lodge
Case, N. J.	Granahan	Lyle
Cavalcante	Granger	Lynch
Celler	Grant	McCarthy
Chesney	Green	McCormack
Christopher	Gregory	McGrath
Chudoff	Hand	McGuire
Clemente	Hardy	McKinnon
Combs	Harris	McSweeney
Cooley	Hart	Mack, Ill.
Cooper	Havenner	Madden



Magee	Pfeiffer,	Smith, Ohio	Bolton, Ohio	Hardy	O'Brien, Mich.	Kearney	Nicholson	Smith, Wis.
Mahon	William L.	Spence	Bonner	Hart	O'Hara, Ill.	Keefe	Nixon	Stanley
Mansfield	Philbin	Steed	Bosone	Havener	O'Konski	Kilburn	Norblad	Stefan
Marcantonio	Phillips, Tenn.	Stigler	Breen	Hays, Ark.	O'Neill	Kruse	Norrell	Stockman
Marsalis	Poage	Stockman	Brooks	Hays, Ohio	O'Sullivan	Kunkel	O'Hara, Minn.	Tackett
Marshall	Polk	Sullivan	Brown, Ga.	Hébert	O'Toole	Larcade	Passman	Talle
Michener	Powell	Sutton	Buchanan	Hedrick	Face	Latham	Patten	Teague
Miles	Preston	Tauriello	Buckley, Ill.	Heffernan	Patman	LeCompte	Patterson	Thomas, Tex.
Miller, Calif.	Price	Taylor	Buckley, N. Y.	Heller	Perkins	LeFevre	Phillips, Calif.	Towe
Mills	Priest	Thompson	Burdick	Heslton	Pfeiffer,	Lemke	Pickett	Velde
Mitchell	Quinn	Thornberry	Burke	Hoffman, Ill.	William L.	Lichtenwalter	Poage	Vors
Monroney	Rabaut	Tollefson	Burnside	Holfield	Philbin	Lowre	Potter	Vursell
Morgan	Rains	Trimble	Byrne, N. Y.	Holmes	Phillips, Tenn.	Lucas	Poulson	Wadsworth
Morris	Ramsay	Underwood	Camp	Howell	Polk	McConnell	Rankin	Weichel
Moulder	Redden	Vinson	Canfield	Huber	Powell	McCulloch	Reed, Ill.	Werdel
Multer	Regan	Wagner	Carlyle	Hull	Preston	McDonough	Reed, N. Y.	Wheeler
Murdoch	Rhodes	Walsh	Carnahan	Irving	Price	McGregor	Rees	White, Idaho
Murphy	Ribicoff	Walter	Carroll	Jackson, Wash.	Priest	McMillan, S. O.	Regan	Whitten
Noland	Richards	Welch, Calif.	Case, N. J.	Jacobs	Quinn	Mack, Wash.	Rich	Whittington
Norton	Richman	Welch, Mo.	Cavalcante	Javits	Rabaut	Macy	Rogers, Mass.	Wickersham
O'Brien, Ill.	Rivers	Wheeler	Celler	Jonas	Rains	Mahon	Sanborn	Wieglesworth
O'Brien, Mich.	Rodino	White, Calif.	Chesney	Jones, Ala.	Ramsay	Martin, Iowa	Scott,	Williams
O'Hara, Ill.	Rogers, Fla.	White, Idaho	Christopher	Jones, Mo.	Redden	Martin, Mass.	Hugh D., Jr.	Willis
O'Konski	Roosevelt	Wier	Chudoff	Judd	Rhodes	Mason	Scrivner	Wilson, Ind.
O'Neill	Sabath	Willis	Clemente	Karst	Ribicoff	Marrow	Scudder	Wilson, Tex.
O'Sullivan	Sadowski	Wilson, Okla.	Combs	Karsten	Richards	Meyer	Shafer	Winstad
O'Toole	Sasser	Withrow	Cooley	Kean	Richman	Michener	Short	Wood
Pace	Scott, Hardie	Wolverton	Cooper	Keating	Rivers	Miller, Md.	Simpson, Ill.	Wood
Passman	Secrest	Woodhouse	Corbett	Kelley	Rodino	Miller, Nebr.	Simpson, Pa.	Woodruff
Patman	Sheppard	Worley	Coudert	Kennedy	Rogers, Fla.	Murray, Tenn.	Smith, Kans.	Worley
Patten	Sikes	Yates	Crook	Keogh	Roosevelt	Murray, Wis.	Smith, Ohio	
Perkins	Sims	Young	Crosser	Kerr	Sabath	Nelson	Smith, Va.	
	Smathers	Zablocki	Davenport	King	Sadlak			
			Davies, N. Y.	Kirwan	Sadowski			
			Davis, Tenn.	Klein	Sasser			
			Dawson	Lane	Scott, Hardie			
			Deane	Lanham	Secrest			
			DeGraffenried	Lesinski	Sheppard			
			Delaney	Lind	Sikes			
			Denton	Linehan	Sims			
			Dingell	Lodge	Smathers			
			Dollinger	Lynch	Spence			
			Donohue	McCarthy	Steed			
			Douglas	McCormack	Stigler			
			Doyle	McGrath	Sullivan			
			Eberhart	McGuire	Sutton			
			Elliott	McKinnon	Tauriello			
			Engel, Mich.	McSweeney	Taylor			
			Engle, Calif.	Mack, Ill.	Thompson			
			Evins	Madden	Thornberry			
			Feighan	Magee	Tollefson			
			Fernandez	Mansfield	Trimble			
			Flood	Marcantonio	Underwood			
			Fogarty	Marsalis	Van Zandt			
			Forand	Marshall	Vinson			
			Ford	Miles	Wagner			
			Frazier	Miller, Calif.	Walsh			
			Fugate	Mills	Waite			
			Fulton	Mitchell	Weich, Calif.			
			Furcolo	Monroney	Weich, Mo.			
			Garmatz	Morgan	White, Calif.			
			Gordon	Morris	Wier			
			Gore	Morton	Wilson, Okla.			
			Gorski, Ill.	Moulder	Withrow			
			Gorski, N. Y.	Multer	Wolverton			
			Granahan	Murdoch	Woodhouse			
			Granger	Murphy	Yates			
			Grant	Noland	Young			
			Green	Norton	Zablocki			
			Gregory	O'Brien, Ill.				
			Hand					

## ANSWERED "PRESENT"—2

Abbitt Morton

## NOT VOTING—19

Boykin	McMillen, Ill.	St. George
Bulwinkle	Morrison	Staggers
Chatham	Peterson	Taber
Gilmer	Pfeifer,	Teague
Kearns	Joseph L.	Thomas, N. J.
Kee	Plumley	Whitaker
Kilday	Rooney	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

## On this vote:

Mr. Kilday for, with Mr. Rooney against.  
Mr. McMillen of Illinois for, with Mrs. St. George against.  
Mr. Plumley for, with Mr. Gilmer against.  
Mr. Taber for, with Mr. Staggers against.  
Mr. Thomas of New Jersey for, with Mr. Morton against.

## Additional general pairs:

Mr. Morrison with Mr. Kearns.

Mr. LARCADE changed his vote from "nay" to "yea."

Mr. WOLVERTON changed his vote from "yea" to "nay."

Mr. MORTON. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from New Jersey, Mr. THOMAS. Were he present he would have voted "yea." I therefore withdraw my vote and request that I be recorded as "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 185, answered "present" 1, not voting 18, as follows:

[Roll No. 70]

## YEAS—228

Addonizio	Baring	Bentsen
Albert	Barrett, Pa.	Biemiller
Allen, La.	Bates, Ky.	Bland
Angell	Battle	Blatnik
Aspinall	Beckworth	Boggs, La.
Bailey	Bennett, Fla.	Bolling

## NAYS—185

Abbitt	Clevenger	Graham
Abernethy	Cole, Kans.	Gross
Allen, Calif.	Cole, N. Y.	Gwinn
Allen, Ill.	Colmer	Hagen
Andersen,	Cotton	Hale
H. Carl	Cox	Hall,
Anderson, Calif.	Crawford	Edwin Arthur
Andersen,	Cunningham	Hall,
August H.	Curtis	Leonard W.
Andrews	Dague	Hallock
Arends	Davis, Ga.	Harden
Auchincloss	Davis, Wis.	Hare
Barden	D'Ewart	Harris
Barrett, Wyo.	Dolliver	Harrison
Bates, Mass.	Dondero	Harvey
Beall	Doughton	Herlong
Bennett, Mich.	Durham	Herter
Bishop	Eaton	Hill
Blackney	Ellsworth	Hinshaw
Boggs, Del.	Elston	Hobbs
Bolton, Md.	Fallon	Hoeven
Bramblett	Fellows	Hoffman, Mich.
Brehm	Fenton	Hope
Brown, Ohio	Fisher	Horan
Bryson	Gamble	Jackson, Calif.
Burleson	Gary	James
Burton	Gathings	Jenison
Byrnes, Wis.	Galvin	Jenkins
Case, S. Dak.	Gillette	Jennings
Chelf	Golden	Jensen
Chapfield	Goodwin	Johnson
Church	Gossett	Jones, N. O.

## ANSWERED "PRESENT"—1

Cannon

## NOT VOTING—18

Boykin	McMillen, Ill.	St. George
Bulwinkle	Morrison	Staggers
Chatham	Peterson	Taber
Gilmer	Pfeifer,	Thomas, N. J.
Kearns	Joseph L.	Whitaker
Kee	Plumley	
Kilday	Rooney	

So the bill was passed.

The Clerk announced the following pairs:

## On this vote:

Mr. Rooney for, with Mr. Kilday against.  
Mr. Cannon for, with Mr. Taber against.  
Mrs. St. George for, with Mr. McMillen of Illinois against.  
Mr. Joseph L. Pfeifer for, with Mr. Plumley against.  
Mr. Morrison for, with Mr. Thomas of New Jersey against.

Additional general pairs until further notice:

Mr. Gilmer with Mr. Kearns.

Mr. CANNON. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. TABER. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## AUTHORIZING CORRECTIONS OF TITLES AND SECTION NUMBERS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be directed to correct the titles and section numbers in conformity with the action of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and



low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

The Clerk read the title of the bill.

**THE SPEAKER.** Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill as follows:

*Be it enacted, etc., That this act may be cited as the "Housing Act of 1949."*

#### DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated, residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this act and in such manner as will facilitate sustained progress in attaining the national-housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of

the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

#### TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

##### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

##### LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, 40 years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency

can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$25,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

##### CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in proj-



ect areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### LOCAL DETERMINATIONS

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the

project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment; *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing published not less than 10 nor more than 20 days prior to the date of such hearing.

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (includ-

ing appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 percent of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made



therefor by the public-housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development of the project involved; and the Administrator may require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) The provisions of title 18, U. S. C., section 874, and of title 40, U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) platted urban or suburban land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open unplatted urban or suburban land necessary for sound community growth which is to be developed for predominantly residential uses (in which even the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the

project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (1) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

#### TITLE II—LOW-RENT PUBLIC HOUSING

##### LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 201. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this act for annual contributions for any low-



rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act:

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (1) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (2) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (2) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (1) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (2) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

#### VETERANS' PREFERENCES

SEC. 202. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given

to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected, and, second, preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

#### COST LIMITS

SEC. 203. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed \$2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (1) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (2) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### PRIVATE FINANCING

SEC. 204. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

(b) The following is added after section 21:

#### "PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (1) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (2) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."



(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted, in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted, and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent.;"

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.;"

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost.;"

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.;"

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall

mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.;"

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.;"

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.;" and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more

than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural non-farm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 135,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 135,000 dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed 810,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than 65,000 dwelling units, or may be decreased at any time or times by amounts aggregating not more than 85,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than 810,000 dwelling units without further authorization from the Congress.;" and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public-housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the 2-year period



ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (1) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (11) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amounts specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of

1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 percent of the total annual amount of \$338,000,000 provided in this act for annual contributions, nor more than 10 percent of the amounts provided for in this act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### TITLE III—HOUSING RESEARCH

SEC. 301. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may

remain upon the books of the Treasury for not more than 5 fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such forms as may be most useful to industry and to the general public.

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans.

"SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

#### TITLE IV—FARM HOUSING

##### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 401. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and



Hawaii and in Puerto Rico, and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or share cropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

#### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 402. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 401 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 403. If the Secretary determines (a) that, because of the inadequacy of the income

of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 10 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 10 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 402. In addition, the Secretary may agree with the borrower to make annual contribution during the said 10-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the tenth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

#### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 404. In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 402 and 403 and that repairs or improvements should be made to a farm dwelling occupied by him, or his tenants, lessees, sharecroppers, or laborers, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of \$1,000 for any one farm or dwelling or building owned by

such individual, or in excess of \$2,000 in the aggregate to any one such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary. In the case of such loan or grant with respect to a farm not occupied by the owner of the land, the Secretary may, as a condition precedent to the grant, require that the landowner enter into such stipulations and agreements with the Secretary and the occupants of the farm as will make it possible for the occupant to obtain the full benefits of the grant.

#### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 405. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 406. (a) In connection with financial assistance authorized in sections 401 to 404, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 401 to 404, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such Executive action or legis-



lation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 407. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 408. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 409. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 410. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 402 to 405, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836),

as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 411. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000, on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 412. In connection with loans made pursuant to section 403, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

SEC. 413. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 411 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 403, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 404 on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

#### TITLE V—MISCELLANEOUS PROVISIONS ADVISORY COMMITTEES

SEC. 501. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem



necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

#### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 502. (a) The last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees

to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

#### NATIONAL HOUSING COUNCIL

SEC. 503. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 504. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 505. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### CONVERSION OF STATE LOW-RENT VETERANS' HOUSING PROJECTS

SEC. 506. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### CENSUS OF HOUSING

SEC. 507. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands,

and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U.S.C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 508. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### ACT CONTROLLING

SEC. 508. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

#### SEPARABILITY

SEC. 509. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Mr. SPENCE. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause and insert the provisions of the bill H. R. 4009, as amended.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 4009 was passed were vacated and that bill laid upon the table.

#### GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amend-







seed oil being shipped in, beginning tomorrow.

Mr. CAIN. The junior Senator from Washington is conscious of that fact, and is anxious to have this legislation promptly disposed of. I think those of us on the committee, at least, are in agreement that we would like to make such action unnecessary in the future, if it is humanly possible to do so.

Mr. DOUGLAS. In the hearings I tried to make it as clear to the Department of Agriculture as I could that I felt they had been very negligent in not bringing this matter up before the 20th of June. They furnished us with incomplete information, and I think they have a great deal to answer for in the way they have conducted the whole matter. Nevertheless, as Grover Cleveland said, it is a condition and not a theory which confronts us, and we have the problem as to what we should do.

My feeling is that if we allow the controls to lapse there will in all probability be large shipments of linseed oil and flaxseed from the Argentine, with the result that we will be compelled to purchase a larger and larger fraction of the domestic supply, so that our stocks will increase, and our ultimate loss will be greater, and in effect we will be supporting the world price of flaxseed at our present ratio of \$3.99 a bushel. Therefore, in spite of the way in which the Department of Agriculture has conducted the matter, it seems to me better that we renew the controls for a year.

Mr. CAIN. I thank the Senator.

Mr. PEPPER. Mr. President, if I may have the attention of the Senator from South Carolina or the Senator from Illinois, whoever is handling the bill on the floor, I should like to ask whether it is possible under the bill to give any protection to the tung oil industry. I have in mind the question whether the bill would allow the exercising of controls over imports of tung oil which come into this country from China. I make the inquiry because, as other Senators will attest—and I see the Senator from Mississippi on the floor, and I know other southern Senators are vitally interested—bankruptcy threatens the tung oil industry of the South.

Mr. MAYBANK. The bill will be of assistance.

Mr. PEPPER. It will give authority to the President, or the proper agency of the Government, to examine into the volume of tung oil that is coming into this country, its adverse effect upon the domestic industry, and that the Government might administratively, under the bill, if it becomes law, give some protection to the tung-oil industry.

Mr. MAYBANK. The Senator is correct.

Mr. PEPPER. I am certainly indebted to the Senator and all those who have made that possible, and I am glad that the record of this debate can show that tung oil can have protection under the bill.

Mr. HUMPHREY. Mr. President, I wish to take the liberty of associating myself with the remarks of the senior Senator from Minnesota [Mr. THYE] and

the junior Senator from North Dakota [Mr. YOUNG].

I want to make this observation in reference to H. R. 5240. That back in the fall of the past year, 1948, the Commodity Credit Corporation purchased large amounts of flax, and purchased it at the support price of approximately \$6 a bushel. I think it should also be noted that that crop was planted at a time when there was a great shortage of linseed oil and of flax products.

Flax is a risk crop, one which is always in jeopardy, and the farmers of our section of the country were called upon, as was pointed out, to plant this risk crop in behalf of the national defense. Surely they are worthy of having the time properly to adjust their marketing and their planting operations.

Furthermore, when the Commodity Credit Corporation underwrote the price at approximately \$6 a bushel, a large number of private processors were compelled to go into the market and pay that price. They have heavy inventories, and anything which at this time would prejudice those inventories precipitously would have a very serious effect upon the industry. It is for those reasons, along with the fact that I do not believe that the Commodity Credit Corporation ought to suffer undue losses, that I join with other Senators in supporting H. R. 5240 and ask for its favorable consideration and passage.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina [Mr. MAYBANK] to proceed to consideration of House bill 5240.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 5240) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the third reading and passage of the bill.

The bill (H. R. 5240) was ordered to a third reading, read the third time, and passed.

#### THE ECONOMY-MINDED SENATE—EDITORIAL FROM THE NEW YORK TIMES

Mr. McMAHON. Mr. President, I have before me an editorial which was printed in the New York Times this morning, entitled "The Economy-Minded Senate." It begins as follows:

Sixty-two Members of the Senate are now lined up in support of action at the earliest practicable date on a resolution to direct the President to cut 5 to 10 percent from the budget which they themselves have voted, or are in process of voting. If there was ever a clear case of passing the buck in Washington, this is it. The Senate added nearly a half-billion dollars to the first five regular appropriation bills to come to it from the House of Representatives. Yet 62 Members of the Senate are strong for economy—provided somebody else achieves it.

Then the editorial proceeds further to develop the subject.

Mr. President, I was one of the Senators who supported each effort which has been made in this session to reduce appropriations. I am also, however, conscious of my oath to support the Constitution of the United States. The Constitution clearly lays down standards for the executive, legislative, and judicial branches of the Government. Never, so long as I am a Member of the Senate, will I cast a vote to abdicate the rights of the Senate of the United States, or, moreover, to avoid its duties.

A little more than a year ago there was introduced in the Senate by the Senator from California [Mr. KNOWLAND] a measure in which he proposed an impingement—at least, I deemed it such—on the rights of the Executive in connection with a matter having to do with calling for the FBI files for the inspection of the Senate. I led the fight against it, and I led the fight to sustain the President's veto. That was the only veto by President Truman which was sustained in the Eightieth Congress.

Mr. President, if the Senate should adopt this resolution it will have performed what I regard as a shameful act. When it comes up for consideration I intend to have my say about it, and I shall speak more at length and shall review the history of the action.

I ask unanimous consent that the remainder of the editorial from which I have read be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE ECONOMY-MINDED SENATE

Sixty-two Members of the Senate are now lined up in support of action at the earliest practicable date on a resolution to direct the President to cut 5 to 10 percent from the budget which they themselves have voted, or are in process of voting. If there was ever a clear case of passing the buck in Washington, this is it. The Senate added nearly a half billion dollars to the first five regular appropriation bills to come to it from the House of Representatives. Yet 62 Members of the Senate are strong for economy—provided somebody else achieves it. When Senator DOUGLAS, of Illinois, proposed to cut 40 percent from that old stand-by, the rivers and harbors bill—which carries many meritorious appropriations but also large chunks of political pork—he was able to muster only 14 votes in support of his motion. But more than 4 times 14 Members of the Senate are now ready to dump on the President's desk a problem which they themselves lack courage or ability to handle.

This approach to the problem is not only an abdication of the Senate's own responsibilities; it is also likely, if adopted, to fall far short of its goal of effecting a saving of \$4,000,000,000 in the new fiscal year which begins tomorrow. This is because a large part of the budget is beyond the reach of the directive to the President which the Senate is now considering. The budget carries \$5,500,000,000 for interest on the national debt, an item which cannot be reduced; it carries \$2,500,000,000 for grants to the States, all authorized by existing law; it carries \$2,100,000,000 for veterans, a sum incapable of being cut substantially until Congress itself revises its own laws regarding the benefits now being paid in non-service-connected causes; it carries \$14,200,000,000 for national defense and \$6,700,000,000 to meet our present international obligations, and while some



economies are possible this would be a poor time to cut expenditures drastically at either of these points. There remains about \$10,000,000,000 of proposed expenditures for all other purposes of Government. A directed cut of 10 percent limited to this section of the budget would fall far short of the \$4,000,000,000 economy now hopefully in view.

These figures lead us back to the starting point, which is that the only sure way to cut the budget is to face the issue squarely, in committee and on the floors of Congress.

#### WHAT IS RIGHT WITH AMERICA

Mr. MUNDT. Mr. President, for the past several months, as time and opportunity have permitted, I have been addressing different groups of distinguished Americans to the effect that if our American success formula of political independence and the private competitive enterprise system is to win the contest against world socialism, collectivism, and communism, it is imperative that at the grass-roots level private citizens begin energetically to claim and defend the basic elements upon which our great success has been founded.

As one specific recommendation indicating what citizens in their local communities can do to help our American way of life to endure and expand, I have proposed that in each public school there be included a capsule course in clear and constructive terms which could honestly, accurately, and appropriately, be called a course in what is right with America. We all agree America is not utopia. There are and always will be many things to be corrected and improved. However, Mr. President, it is also true that ordinary human beings in the United States are given greater opportunities, higher standards of living, more freedom, and better security than they have received in any other area of the world or in any era of history. It is my position that in every school we should recognize this fact and provide at least one course of instruction which will teach children to understand, to appreciate, and to support the basic formula of political and economic activity which has made the unprecedented and unparalleled record possible.

I ask unanimous consent to have printed in the RECORD in connection with my remarks an editorial from the Star-Courier, a daily newspaper published in the typical American community of Keewaupee, Ill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### WHAT'S RIGHT WITH UNITED STATES

In a recent address before the national conference of small-business men in Washington, South Dakota's Senator KARL MUNDT announced that he was initiating a one man crusade to sell Americans on the superiority of the American way of life.

His efforts will be directed at inducing chambers of commerce, luncheon clubs, women's clubs, and other organizations to establish what he called "American enterprise committees" among the standing and working committees of their organizations.

The Dakota man, serving his first term in the Senate after an extended period of service in the lower House, outlined what he conceived to be the opportunities and responsibilities of these American enterprise committees.

"Creeping collectivism at home must be resisted," he asserted, "at the local level by private citizens uniting in their community-by-community efforts fully as much as it is necessary to repel these freedom-denying movements by national and international action.

"If every community in America will rid itself of the insidious dangers of collectivism and educate its youth and adult citizens to understand and appreciate the values and virtues of our American enterprise system, we can so strengthen ourselves domestically that our international influence will be correspondingly increased.

"Local committees should crusade unceasingly to portray and improve the functions of the basic formula which has made America great, namely, political independence and private enterprise. Once these two factors of our American success formula are fully accepted and appreciated by every citizen, it will be comparatively easy to repel foreign ideologies which attack their operation or decrease their effectiveness."

In suggesting things to do for these local-level American enterprise committees, Senator MUNDT said:

"Almost all chambers of commerce have committees to increase membership, to beautify the city, to establish closing hours, to improve the streets, et cetera; strangely enough, however, almost none of them have a single committee devoting its time and talents to the most important and immediate problem confronting all of them—the protection and preservation of our American formula of political independence and private enterprise.

"By holding essay contests in the schools; by setting aside 1 week each year for local community-wide programs depicting the basic values of our way of life; by making sure that at least one course in every high school is devoted to portraying What's right with America; by setting aside one Sunday each year to sermons in support of how a free society and a free church are inevitable and exclusive partners; and dozens of other ways throughout the year our local organizations can move constructively to protect a way of life which is fast disappearing from this earth. This is a program which costs nothing but initiative; it is one in which every community can engage."

#### REPORT ON HIGHWAY NEEDS OF THE NATIONAL DEFENSE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 249)

The PRESIDING OFFICER (Mr. McGrath in the chair) laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Public Works.

(For President's message, see today's proceedings of the House of Representatives on p. 8919.)

#### MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes; and

H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

#### THE NATIONAL HOUSING PROGRAM

The PRESIDING OFFICER (Mr. McGrath in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, which was to strike out all other enacting clause and insert:

That this act may be cited as the "Housing Act of 1949."

#### DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) Private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby estab-



lished, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

**TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT**  
**LOCAL RESPONSIBILITIES**

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permit such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

**LOANS**

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, 40 years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominately open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding 10 years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects, involved.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

**CAPITAL GRANTS**

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open unplatted urban or suburban land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

**REQUIREMENTS FOR LOCAL GRANTS-IN-AID**

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

**LOCAL DETERMINATIONS**

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;



(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; to give preference in the selection of tenants for dwelling units built in the project area to families displaced therefrom because of clearance and redevelopment activity, who desire to live in such units, and who will be able to pay rents or prices charged other families for comparable dwelling units built as part of the same development; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title; —

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality. No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained

or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants of such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation.

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this

title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as determined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) The provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate



proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, or land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purposes of computing the amount of the local grants-in-aid for such project there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (1) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

#### TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

SEC. 201. The National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "July 1, 1949" and inserting in lieu thereof "September 1, 1949";

(2) by striking out of the proviso in section 203 (a) "\$4,000,000,000" and inserting in lieu thereof "\$5,300,000,000" and by striking out of such proviso "\$5,000,000,000" and inserting in lieu thereof "\$5,500,000,000"; and

(3) by striking out of the second proviso in section 603 (a) "June 30, 1949" in each place where it appears therein and inserting in lieu thereof "August 31, 1949".

#### TITLE III—LOW-RENT PUBLIC HOUSING LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary

loans) or for annual contributions pursuant to this act with respect to any low-rent housing project initiated after March 1, 1949, (1) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than 5 years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this act) give preference to families having the most urgent housing need, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."



## VETERANS' PREFERENCES

SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public-housing agency for admission to any low-rent housing; and as among such families where an application for admission is made not later than 5 years after March 1, 1949, first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of other veterans and servicemen (including families of deceased veterans or servicemen);

"Second, to families of other veterans and servicemen (including families of deceased veterans or servicemen) where an application for admission is made not later than 5 years after March 1, 1949; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947."

## COST LIMITS

SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) No contract for any loan, annual contribution, or capital grant made pursuant to this act shall be entered into by the Authority with respect to any low-rent housing project completed after January 1, 1948, having a cost for construction and equipment of more than \$1,750 per room (excluding land, demolition, and nondwelling facilities); except that in the case of Alaska any such contract may be entered into with respect to a project having a cost for construction and equipment of not to exceed \$2,500 per room (excluding land, demolition, and nondwelling facilities): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. The Authority shall make loans, grants, and annual contributions only for such low-rent housing projects as it finds are to be undertaken in such a manner that such projects will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and

administration. In order to attain the foregoing objective, every contract for financial assistance entered into with respect to any low-rent housing project initiated after March 1, 1949, shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

## PRIVATE FINANCING

SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

(b) The following is added after section 21:

## "PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) After the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act, shall continue to make annual contributions

available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding 12 months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the provisions of this act; and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

(c) In the fourth sentence of section 9 the words "going Federal rate at the time the loan is made," are deleted; in the first proviso of subsection 10 (b) the words "going Federal rate of interest at the time such contract is made" are deleted; and in lieu thereof in each case there are substituted the words "applicable going Federal rate"; and subsection 2 (10) is amended to read as follows:

"(10) The term 'going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent."

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this act, loans shall not be made for a period exceeding 40 years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding 40 years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate."

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: "*Provided*, That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding 40 years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding 40 years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 percent of development or acquisition cost."

(f) The first sentence of subsection 10 (c) is amended to read as follows: "Every contract for annual contributions shall provide



that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.”;

(g) Section 14 is amended by inserting the following after the first sentence: “When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.”;

(h) Section 20 is amended to read as follows:

“SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.”;

(1) Subsection 2 (5) is amended to read as follows:

“(5) The term ‘development’ means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term ‘development cost’ shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.”; and

(j) The following additional subsection is added to section 15:

“(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency;

in the event such contract covers two or more projects, such projects may, for any of the purposes of this act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.”

#### ANNUAL CONTRIBUTIONS

SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: “With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress.”; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

“(h) Every contract made pursuant to this act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project: *Provided*, That, with

respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such project for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect of such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947.”

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: “The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age.”

#### TECHNICAL AMENDMENTS

SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words “rural or urban communities” and by substituting therefor the words “urban and rural nonfarm areas”;

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: “The Authority shall enter into contracts for financial assistance with a State or State agency



where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to sec. 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 percent of the total annual amount of \$428,000,000 provided in this act for annual contributions, nor more than 10 percent of the amounts provided for in this act for grants, shall be expended within any one State"; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### TITLE IV—HOUSING RESEARCH

Sec. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"Sec. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and in-

vestment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection:

"(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

"Sec. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible,

the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"Sec. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"Sec. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

#### TITLE V—VETERANS' PREFERENCES

Sec. 501. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within 3 years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the



United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, April 6, 1917, and prior to November 11, 1918."

#### TITLE VI—FARM HOUSING

##### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 601. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 602. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 601 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed 33 years from the making of the loan with interest at a rate not to exceed 4 percent per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources

whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

##### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 603. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed 5 years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed 5 years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 602. In addition, the Secretary may agree with the borrower to make annual contributions during the said 5-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

##### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 604. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 602 and 603 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove

hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under the provisions of this section in the form of a loan or grant or combination thereof in excess of \$1,000 for any one farm or dwelling or building owned by such individual, and the grant portion with respect to any one farm or dwelling or building shall not exceed \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) The Secretary may make loans under this section and section 603 in accordance with provisions of the Bankhead-Jones Farm Tenant Act, as now or hereafter amended, to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available for assistance under this section for such purposes.

##### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 605. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

##### TECHNICAL SERVICES AND RESEARCH

SEC. 606. (a) In connection with financial assistance authorized in sections 601 to 604, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 601 to 604, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development,



demonstration, and promotion of construction of adequate farm dwelling and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

Sec. 607. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

Sec. 608. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall

also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

Sec. 609. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

Sec. 610. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 602 to 605, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the

United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

Sec. 611. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

Sec. 612. In connection with loans made pursuant to section 603, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

Sec. 613. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 611 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 603, and (ii) the interest due on a similar sum



represented by notes or other obligations issued by the Secretary; (b) an additional \$1,000,000 pursuant to section 604 on and after July 1, 1949, which amount shall be increased by further amounts of \$2,500,000, \$4,000,000, and \$5,000,000 on July 1, of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

#### TITLE VII—MISCELLANEOUS PROVISIONS ADVISORY COMMITTEES

SEC. 701. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

#### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 702. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations," a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations."

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than 18 months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which moneys under the terms of said agreement are required to be used for that purpose."

#### NATIONAL HOUSING COUNCIL

SEC. 703. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 704. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 705. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 706. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assist-

ance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### CENSUS OF HOUSING

SEC. 707. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 708. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public-housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### DISTRICT OF COLUMBIA PARTICIPATION

SEC. 709. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and II of this act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this act (in addition to that provided in section 16 of this act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.



"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from fund appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this act, the agency, pursuant to section 7 (a) of this act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the

approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I, of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the agency is also authorized to borrow money from the administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body."

#### ACT CONTROLLING

SEC. 710. Insofar as the provisions of any other law are inconsistent with the provisions of this act, the provisions of this act shall be controlling.

#### SEPARABILITY

SEC. 711. Except as may be otherwise expressly provided in this act, all powers and authorities conferred by this act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### GENERAL PROVISIONS

SEC. 712. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this act, shall be used directly or indirectly to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the

overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. CAIN conferees on the part of the Senate.

#### FURTHER CONTRIBUTIONS TO THE INTERNATIONAL CHILDREN'S EMERGENCY FUND

Mr. PEPPER. Mr. President, I wish to submit a unanimous-consent request with respect to consideration of a measure which has been reported from the Senate Committee on Foreign Relations, but before submitting the request I should like to state what the bill is. The bill is H. R. 2785, Calendar No. 593, to provide for further contributions to the International Children's Emergency Fund. It was reported unanimously by the Committee on Foreign Relations. The distinguished chairman of the committee is now on the floor. All the bill does is to extend authority for our participation in the International Children's Emergency Fund for one additional year, with the express proviso that our participation in the fund shall end at the expiration of the next fiscal year; and, in addition to that, carrying over for the next year \$17,000,000 of previously appropriated funds for matching by other countries should they comply with the conditions which are required.

The bill is short. It was unanimously reported by the committee. The Senator from Iowa [Mr. HICKENLOOPER] is also very much interested in it. The law expires today. There is only a minor adjustment necessary to be made between the Senate and the House. I felt that the bill should be disposed of today, and I am sure it will not be controversial.







# House of Representatives

FRIDAY, JULY 1, 1949

The House met at 12 o'clock noon.

Rev. Father Francis D. Rabaut, S. J., of Chicago, Ill., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Our Father, who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil. Amen.

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2785. An act to provide for further contributions to the International Children's Emergency Fund.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 249. An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1070) entitled "An act to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. DOUGLAS, Mr. FLANDERS, and Mr. CAIN to be the conferees on the part of the Senate.

## COMMUNICATIONS FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 30, 1949.

The honorable the SPEAKER,  
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3083) entitled "An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes"; and

That the Senate had passed without amendment the joint resolution (H. J. Res. 284) entitled "Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes."

Very truly yours,  
RALPH R. ROBERTS,  
Clerk of the House of Representatives.

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JULY 1, 1949.

The honorable the SPEAKER,  
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had passed without amendment the bill (H. R. 5240) entitled "An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products."

Very truly yours,  
RALPH R. ROBERTS,  
Clerk of the House of Representatives.

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JULY 1, 1949.

The honorable the SPEAKER,  
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk received last night from the Secretary of the Senate the following message:

That the Senate had passed without amendment the bill (H. R. 5100) entitled "An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia."

Very truly yours,  
RALPH R. ROBERTS,  
Clerk of the House of Representatives.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on June 30, 1949, examined and found truly enrolled bills and a joint resolution of the House of the following titles:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable

against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, June 30, 1949, he did on that date sign the following enrolled bills and joint resolution of the House:

H. R. 3083. An act making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and for the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3549. An act to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund; and H. J. Res. 284. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

## SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 15 minutes today at the conclusion of any special orders heretofore entered.

## COMMITTEE ON THE JUDICIARY

Mr. HOBBS. Mr. Speaker, on yesterday the House granted unanimous consent for the Committee on the Judiciary to have until midnight last night to file certain reports on bills reported by that committee yesterday. One was omitted and did not get in. I now ask unanimous consent that the committee be given until midnight tonight to file a report on H. R. 5287, a bill that was reported yesterday by that committee.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

## HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the bill (S. 1070) to establish a national housing objective and a policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask for the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and SMITH of Ohio.



# EXTENDING SECTION 1302 (a) OF THE SOCIAL SECURITY ACT, AS AMENDED

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 287) extending section 1302 (a) of the Social Security Act as amended until June 30, 1950.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, do I understand that this matter has been cleared with the Republican Members of the Committee on Ways and Means?

Mr. BOGGS of Louisiana. It has.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

Mr. BOGGS of Louisiana. Mr. Speaker, this resolution extends the unemployment compensation provisions for merchant seamen who are employed on Government-owned vessels. This legislation was enacted some years ago. At that time it was anticipated that there would be no further need for the extension of these benefits, but subsequently the Congress extended the authority of the Maritime Commission to operate these vessels, so that if this authority is not extended, it means that a small group of seamen will be discriminated against in the payment of unemployment compensation benefits. Other seamen are now covered.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the joint resolution, as follows:

*Resolved, etc.,* That section 1302 (a) of the Social Security Act is amended by striking out "1949" and inserting in lieu thereof "1950."

Sec. 2. Section 1302 (c) of the Social Security Act is hereby amended to read as follows:

"(c) The term 'Federal maritime service' means: service performed prior to July 1, 1949, which is determined to be employment pursuant to section 209 (o)."

Sec. 3. Section 1302 (d) of the Social Security Act is hereby amended to read as follows:

"(d) The term 'Federal maritime wages' means remuneration determined pursuant to section 209 (o) to be remuneration for service referred to in section 209 (o) (1) which was performed prior to July 1, 1949."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SIGNING OF ENROLLED BILLS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

## EXTENSION OF REMARKS

Mr. RODINO (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD and include a statement with reference to hospital construction.

Mr. KLEIN (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD in two instances.

Mr. LUCAS asked and was given permission to extend his remarks in the RECORD and include an article published in the Atlantic Monthly.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include a resolution.

## PERMISSION TO ADDRESS THE HOUSE

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

## REMODELING OF HOUSE CHAMBER

Mr. HUBER. Mr. Speaker, it is with a great deal of sadness that I bid farewell to this historic House Chamber today. Very soon the builders will move in, and the House as we have known it will be gutted and changed. It is also saddening for me to realize that many illustrious Members, long since departed and gone to their graves, have appeared and left their mark in this Chamber and knew it as we know it today. I have talked to outstanding engineers and architects who tell me that there is no reason why this temporary reinforced structure above could not be removed and the Chamber retain its basic architecture if the roof above were strengthened. I still hope that those in charge of this renovation will see the light before it is too late and preserve, at least, the historic architectural features in this Chamber.

## PERMISSION TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## REMODELING OF HOUSE CHAMBER

Mr. DONDERO. Mr. Speaker, like the gentleman from Ohio [Mr. HUBER], I, too, feel a tinge of sadness on this last session in this historic Chamber as we see and know it today. I have been in contact with the office of the Architect of the Capitol and am advised that a suggestion has been made that these historic State seals which adorn the ceiling of this Chamber should be preserved by returning them to the States and there preserved in their respective State capitols. The seals will not be entirely omitted from the new ceiling. They will be placed around the edge of this ceiling as we now know it, either in plain relief or painted similar to the seals we now look upon, so that the State seals will not be absent from this Chamber when we return next January.

I feel the same as my good friend the gentleman from Ohio [Mr. HUBER], that many times, when we come into this House of Commons of the American people, we do not see the men and women who now occupy these seats but the stalwart figures of those who have written their names large on the pages of American history and have wrought and labored so well for the Republic we love so well.

I trust that as much as possible of the historic setting we look upon today will be preserved by the architects when they move into this Chamber to remodel it when we leave today.

## EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include an article which appeared in the Washington Post.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a short resolution.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD in two instances and include a magazine article and a newspaper article.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from one of his constituents to the President of the United States.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and in each to include extraneous matter.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a magazine article on the Genocide Convention. I am advised by the Public Printer that this is in excess of the amount usually allowed, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

## PERMISSION TO ADDRESS THE HOUSE

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## REMODELING OF HOUSE CHAMBER

Mr. MCGREGOR. Mr. Speaker, as a member of the building commission headed by the capable gentleman from Arkansas [Mr. TRIMBLE] that is in charge of remodeling this beautiful Chamber, and as a former chairman of that committee—which authority has been established by a law passed by Congress—may I say to my distinguished colleagues that each and every member of this commission has the same principles at heart as the two gentlemen who just spoke relative to the changes? We have had many, many meetings and we are open to suggestions, as we have been for the last several years. I assure you nothing will be done to mar the architectural design







## HOUSING ACT OF 1949

JULY 6, 1949.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 1070]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Housing Act of 1949"*.

#### DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. *The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the*



total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improve-

ment, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

#### LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.



(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: Provided, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

#### CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: Provided, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to

projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: Provided, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### LOCAL DETERMINATIONS

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;



(c) *There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: Provided, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.*

(d) *No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.*

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) *appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;*

(2) *prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;*

(3) *maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: Provided, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and*

(4) *make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.*

(b) *Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from*

year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: Provided, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.



## PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

*SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.*

## SURPLUS FEDERAL REAL PROPERTY

*SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.*

## PROTECTION OF LABOR STANDARDS

*SEC. 109. In order to protect labor standards—*

*(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;*

*(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;*

*(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within five days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.*

## DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: Provided, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of



direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.*

(e) "*Gross project cost*" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "*Net project cost*" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "*Going Federal rate*" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "*Local public agency*" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "*State*" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "*Administrator*" means the Housing and Home Finance Administrator.

## TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

SEC. 201. *The National Housing Act, as amended, is hereby amended—*

(1) *by striking out of the first sentence of section 2 (a) "July 1, 1949" and inserting in lieu thereof "September 1, 1949";*

(2) *by striking out of the proviso in section 203 (a) "\$4,000,000,000" and inserting in lieu thereof "\$5,300,000,000" and by striking out of such proviso "\$5,000,000,000" and inserting in lieu thereof "\$5,500,000,000"; and*

(3) by striking out of the second proviso in section 603 (a) "June 30, 1949" in each place where it appears therein and inserting in lieu thereof "August 31, 1949".

SEC. 202. This title shall take effect as of June 30, 1949.

### TITLE III—LOW-RENT PUBLIC HOUSING

#### LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that



an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: Provided, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

“(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

“(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project.”

#### VETERANS' PREFERENCES

SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

“(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

“First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administra-

tion to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

#### COST LIMITS

SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): Provided, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."



## PRIVATE FINANCING

*SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:*

*(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:*

*"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."*

*(b) The following is added after section 21:*

*"PRIVATE FINANCING*

*"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—*

*"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—*

*"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;*

*"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.*

*"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this Act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant*

in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this Act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: Provided, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.”;

(c) In the fourth sentence of section 9 the words “going Federal rate at the time the loan is made,” are deleted; in the first proviso of subsection 10 (b) the words “going Federal rate of interest at the time such contract is made” are deleted; and in lieu thereof in each case there are substituted the words “applicable going Federal rate”; and subsection 2 (10) is amended to read as follows:

“(10) The term ‘going Federal rate’ means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: Provided, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.”;

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: “Provided, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: And provided further, That in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.”;

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: “Provided, That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: And provided further, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of



subsection (b) of this section by 1 per centum of development or acquisition cost.”;

(f) The first sentence of subsection 10 (c) is amended to read as follows: “Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.”;

(g) Section 14 is amended by inserting the following after the first sentence: “When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: Provided, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.”;

(h) Section 20 is amended to read as follows:

“SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.”;

(i) Subsection 2 (5) is amended to read as follows:

“(5) The term ‘development’ means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term ‘development cost’ shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise

carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.”; and

(j) The following additional subsection is added to section 15:

“(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.”

#### ANNUAL CONTRIBUTIONS

SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: “With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: Provided, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: And provided further, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: Provided, That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: And provided further, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall



not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: And provided further, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year.”; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

“(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: Provided, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947.”

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: “The dwellings in

low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### TECHNICAL AMENDMENTS

SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period; and by adding at the end of said subsection 10 (a) the following new sentence: "The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: Provided, however, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: Provided further, That such elimination may, in



the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe or sanitary housing available to families of low income: And provided further, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project."

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.";

(f) By amending subsection 16 (2) to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### TITLE IV—HOUSING RESEARCH

SEC. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be con-

cerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research.

Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: Provided, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

“(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this Act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.



"(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

"SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

## TITLE V—FARM HOUSING

### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any

interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

#### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be



sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided. the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

#### OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title.

Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

#### MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or



legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

#### LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

#### GENERAL POWERS OF SECRETARY

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into considera-

tion, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: Provided, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect



the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property.

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional con-

tributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

## TITLE VI—MISCELLANEOUS PROVISIONS

### ADVISORY COMMITTEES

SEC. 601. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under



the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations”.

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

“(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose.”.

#### NATIONAL HOUSING COUNCIL

SEC. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 604. (a) The second proviso in the paragraph under the heading “Federal Public Housing Authority” in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading “Public Housing Administration” in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading “Public Housing Administration” in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the

basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: Provided, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### CENSUS OF HOUSING

SEC. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.



## DISTRICT OF COLUMBIA PARTICIPATION

SEC. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant

to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in con-



nection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### ACT CONTROLLING

SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### SEPARABILITY

SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### GENERAL PROVISIONS

SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: Provided, That for the purposes hereof an affidavit shall be considered *prima facie* evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: Provided further, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government

*employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: Provided further, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.*

And the House agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

BURNET R. MAYBANK,  
JOHN SPARKMAN,  
PAUL H. DOUGLAS,  
RALPH E. FLANDERS,  
HARRY P. CAIN,

*Managers on the Part of the Senate.*



## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment contained a provision that the contracts for financial aid made for slum clearance in communities for development and redevelopment purposes should require that preference in the selection of tenants for dwelling units built in the project area be given to families displaced therefrom because of clearance and redevelopment activity when such families desire to live in such units, and are able to pay rents or prices charged to other families for comparable dwelling units built as part of the same development. Neither the Senate bill nor the conference substitute contains a similar provision.

Title II of the House amendment provided for temporary extensions of title I of the National Housing Act and section 608 of title VI of such Act, and also provided for an increase of \$500,000,000 in the insurance authorization of title II of such act. The Senate bill contained no similar provision. The conference substitute contains the language of the House amendment with a provision making the amendments effective as of June 30, 1949.

Titles III and V of the House amendment contained conflicting provisions with respect to veterans' preferences for admission into low-rent public-housing projects. The conference substitute contains the provision with respect to veterans' preferences contained in title V of the House amendment making the preferences applicable to World War I as well as World War II veterans. In general such preferences would be available to World War I and World War II veterans for admission to low-rent public-housing projects without limitation as to the time the preferences run and in this respect the conference substitute is similar to the provisions of the Senate bill.

The House amendment provided for the construction of 1,050,000 low-rent public-housing dwelling units over a period of 7 years and authorized annual contributions in an amount not exceeding \$400,-

000,000 per year. The Senate bill provided for the construction of 810,000 dwelling units over a period of 6 years with annual contribution contract authorization of a maximum of \$308,000,000 per year. Both the House amendment and the Senate bill provided that the units to be constructed and the contracts for annual contributions both could be accelerated, upon a determination by the President after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy and that such action is in the public interest.

The House amendment provided that the construction of 150,000 units could be commenced annually, and that such amount could be so accelerated by an additional 100,000 units. The Senate bill provided that the construction of 135,000 units could be commenced annually, and such amount could be so accelerated by an additional 65,000 units. The conference substitute contains the provisions of the Senate bill providing for a maximum construction of 810,000 dwelling units over a 6-year period and maximum annual contributions of not more than \$308,000,000 per year and the acceleration provision applicable to both, and also contains a provision limiting the commencement of construction of such dwelling units to not to exceed 200,000 units in any fiscal year.

The Senate bill and the House amendment contained provisions deleting the present requirements of law that any public low-rent housing project assisted under the Act must include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the project. The conference substitute retains the provision striking out these requirements, but, in lieu of the stricken requirements, provides that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved enters into an agreement with the local public housing agency providing that, with certain exceptions, there will be eliminated within 5 years after the completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided by project.

Title I of the House amendment contained a provision which provided that the wages to be paid mechanics and laborers employed in slum-clearance projects should be determined by the Secretary of Labor pursuant to the Davis-Bacon Act. Title III of the House amendment and title II of the Senate bill amended the existing provisions of law so as to provide that not less than the prevailing wages as determined by the Administrator be paid for work on projects. The conference substitute places the authority for the determination of wages to be paid mechanics and laborers employed in the development of low-rent projects assisted under title III of the bill in the Secretary of Labor. The provision of the conference substitute conforms to the provision contained in title I of the House amendment and retained in title I of the conference substitute.

The House amendment contained a provision in the farm housing title authorizing the Secretary of Agriculture to make loans under



sections 603 and 604 of the farm housing title in accordance with the provisions of the Bankhead-Jones Farm Tenant Act to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. The Senate bill contained no similar provision. The conference substitute in general retains the provision of the House amendment with modification to make clear that the loans would be made in accordance with the terms and conditions of the Housing Act of 1949 and such loans for enlargement or development would be authorized only to encourage adequate family-size farms.

The House amendment contained a provision authorizing the appropriation of \$12,500,000 for grants or loans pursuant to section 604. The Senate bill provided for grants under section 604 in the amount of \$25,000,000. The conference substitute authorizes an appropriation of \$25,000,000 to cover both grants for minor improvements to farm housing and buildings and loans made for land acquisition or development purposes.

The House amendment contained a provision enabling the District of Columbia to participate in the benefits provided by titles I and III of the act but contained a provision that the Administrator could not enter into a contract of financial assistance under title I of the act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation was denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. The Senate bill did not contain a similar provision. The conference substitute follows the provisions of the House amendment except that the denial of financial assistance is conditioned upon a budget estimate of appropriation for a project transmitted pursuant to law and for which no appropriation was made by the Congress.

The House amendment contained the provision which appears in appropriation bills that no part of any appropriation, loan, fund, or expenditure authorized or provided by the act could be used, directly or indirectly, to pay the salary or wages of any person who engages in a strike against the Government or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. The Senate bill did not contain a similar provision. The conference substitute makes clear that this prohibition only runs to an officer or employee of the Housing and Home Finance Agency or the Department of Agriculture, and thus avoids the possibility of this prohibition extending to even laborers on the projects as might have been the effect of the broad language of the House amendment.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*







icular transaction. Discriminations, except those based on savings in cost, are not justified and will not be justified under the Robinson-Patman Act even if this bill becomes law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. HALLECK. It is obvious that the gentleman has studied this matter very carefully. Do I conclude from what he just said that it is his opinion that the essential protection of the Robinson-Patman Act will be preserved if this legislation becomes law?

Mr. CASE of New Jersey. I believe that it will. I should like to point out just one or two specific points as to which questions have been raised and, I think, improperly. It has been said that the defense of meeting competition in good faith would permit a person to meet a price which his competitor offered, the competitor being in violation of the Robinson-Patman Act. That is not so. The Staley case makes that unlawful and that decision would not be affected at all.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. WILLIS. Suppose, for instance, you are a supplier supplying stores in a particular community at a set price. You are a manufacturer and you sell your canned goods to all the grocery stores at the same price. Suppose I am a competitor manufacturer. I come into your field and I offer to two or three of your customers canned goods at cheaper prices. I, your competitor, have not violated any law, have I?

Mr. CASE of New Jersey. We will assume that you have not, because you have not discriminated in price, but have merely exercised the right to refuse to sell or to choose your customers.

Mr. WILLIS. Then you say under your bill, or at least I say, under this bill it would be permissible for you, in order to meet my competition, to three or four of your customers to meet my price, but to cut the throat of all your other customers in the same territory?

Mr. CASE of New Jersey. May I point out one thing. The gentleman ascribes to this bill much larger scope than the bill itself has.

Mr. WILLIS. Mr. Chairman, will the gentleman yield once more?

Mr. CASE of New Jersey. I yield.

Mr. WILLIS. Is it not true that section 3 of this bill has nothing to do with freight absorption and delivered price and that it permits a supplier to justify any discrimination—any discrimination in good faith to meet competition outside of and irrespective of the absorption of freight and delivered price?

Mr. CASE of New Jersey. Section 3 deals with the matter of procedure in establishing good faith as a defense and as to that point the gentleman is correct.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. JENSEN. If we were to go on the premise that the gentleman from Louisiana has just talked about, then of

course we would have a complete control of our pricing system. If it was not permissible for the supplier to arrange his prices, in order to stay in business, naturally we would be under a specific Government control of our free enterprise and we would all have to sell at the same price. That is the very thing this bill is trying to correct.

Mr. CASE of New Jersey. I thank the gentleman for his contribution. I think I am taking more of the time of the committee than my knowledge of this subject justifies, but I want to make just a couple of points with reference to the position of the Government departments that understand these problems and have to deal with them—whose duty it is to deal with antitrust matters.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM. Mr. Chairman, I yield two additional minutes to the gentleman from New Jersey.

Mr. CASE of New Jersey. Mr. Chairman, the members of the Federal Trade Commission on February 11 of this year answered a number of questions asked by the Senate Interstate and Foreign Commerce Committee. One of those questions is as follows:

Where a seller in good faith reduces his price to meet the lower price of a competitor, do you believe he should be permitted to meet that lower price, when he does so in good faith, even if his doing so may cause an injury to a competitor, or to a competitor of his customer?

The answer is:

Yes. If good faith is present, injury to competition will be rare, and in general the policy of the law should not discourage active competition by preventing the meeting of competition in good faith.

It seems to me that that fairly poses the real issue here.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. CARROLL. I commend the gentleman for making a very fine and sincere statement, but I would like the gentleman's opinion, as he has studied this bill and the Kefauver amendments in relation to it. Where could the Kefauver amendments, if inserted in the present bill, interfere with the splendid presentation made by Senator O'MAHONEY on the floor of the Senate? It seems to me, after reading this with some care, that the O'Mahoney bill gives ample protection and at least clarification of some of the Supreme Court decisions, and the Kefauver amendment takes a step further. It gives protection under circuit court of appeals decisions. It gives some measure of protection to small-business men and cannot possibly confuse or harm anybody but will give protection under the law and will not take away a remedy which has been established by law.

Mr. CASE of New Jersey. I feel it would be very harmful. That is my honest opinion. It would leave the question of protection of meeting competition in good faith very, very doubtful, indeed. And where doubt exists businessmen will hesitate to venture and competition

and the consumers will suffer. Confusion in these matters is inevitable to a certain extent, but it seems to me we should clarify the law to the utmost extent possible without serious harm. The opinion of the people in our Government departments best qualified to deal with this matter is that this bill will not harm anybody. Its advantages are very great indeed.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. MICHENER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. CELLER. I think the gentleman will agree that we should encourage competition. Is that not so?

Mr. CASE of New Jersey. That is my very firm belief.

Mr. CELLER. And the Kefauver amendments would have denied competition.

Mr. CASE of New Jersey. The Kefauver amendments would prevent competition in many instances because the danger of competing will deter people from engaging in it. That fog and uncertainty, as I stated in the earlier part of my statement, is the very thing we owe not only business but the consumers of this country the duty to get rid of at the earliest possible moment and to the greatest possible extent.

Mr. CELLER. The purpose of the bill primarily is to give clarification where there is a great deal of cloudiness now. Is it not your opinion that the wording of the Kefauver amendments would give rise to limitless controversy and difficulty?

Mr. CASE of New Jersey. I think it would do exactly that. It would prevent, or as Mr. Bergson, head of the Antitrust Division in the Department of Justice said, at least make much more difficult the establishment of the defense of good faith in meeting competition in many cases.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield.

Mr. MICHENER. The O'Mahoney bill was on the Senate floor as a substitute, as I understand. The Kefauver amendments were offered from the floor. They had no consideration. The bill had to be disposed of that day. The Kefauver amendments were accepted by Senator O'MAHONEY, and the bill came to the Judiciary Committee of the House. Is not the considered judgment of Senator O'MAHONEY as to what the KEFAUVER amendments would do and what their import is and what their effect will be at this time more valuable than the momentary judgment given on the Senate floor?

Mr. CASE of New Jersey. There is no doubt that is the case.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. CASE] has again expired.



Mr. CELLER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAHON, Chairman of the Committee of the Whole House on the State of the Union, reported that Committee, having had under consideration the bill S. 1008, had come to no resolution thereon.

#### HOUSING LEGISLATION

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### HOUSING LEGISLATION

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file a conference report and statement on the bill S. 1070, the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HALLECK. Reserving the right to object, Mr. Speaker, can the gentleman tell us when it may be proposed to call up that report, if the report is filed?

Mr. PRIEST. I have not conferred with the majority leader on that point, and I am not in position at the present moment to answer.

Mr. HALLECK. I am not going to object, but I do not think it should be called up tomorrow, because we would not have a chance to look at it, and it is a matter of considerable consequence.

The SPEAKER. The gentleman's statements will be taken into consideration, the Chair assures the gentleman.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The conference report and statement follows:

#### CONFERENCE REPORT (H. REPT. No. 975)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That this Act may be cited as the 'Housing Act of 1949.'

#### "DECLARATION OF NATIONAL HOUSING POLICY

"SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums

and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective is hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

#### "TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

##### "LOCAL RESPONSIBILITIES

"SEC. 101. In extending financial assistance under this title, the Administrator shall—

"(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regula-

tions so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

"(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

##### "LOANS

"SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

"(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

"(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

"(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.



"(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

"(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

#### "CAPITAL GRANTS

"Sec. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

"(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total author-

ization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### "REQUIREMENTS FOR LOCAL GRANTS-IN-AID

"Sec. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### "LOCAL DETERMINATIONS

"Sec. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

"(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

"(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

"(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there

shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

"(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

#### "GENERAL PROVISIONS

"Sec. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

"(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

"(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

"(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

"(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

"(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the



civil rights under the State or local laws of the inhabitants on such property.

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, or any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

"(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

"(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be extended in any one State.

#### "PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

"SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the redevelopment plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### "SURPLUS FEDERAL REAL PROPERTY

"SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### "PROTECTION OF LABOR STANDARDS

"SEC. 109. In order to protect labor standards—

"(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects,

technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

"(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

"(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within 5 days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### "DEFINITIONS

"SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Redevelopment area' means an area which is appropriate for development or redevelopment and within which a project area is located.

"(b) 'Redevelopment plan' means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

"(c) 'Project' may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (in-

cluding sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term 'project' shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term 'redevelopment' and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term 'project' shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

"(d) 'Local grants-in-aid' shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

"(e) 'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"(f) 'Net project cost' shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

"(g) 'Going Federal rate' means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.



"(h) 'Local public agency' means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. 'State' includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

"(i) 'Administrator' means the Housing and Home Finance Administrator.

#### "TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

"Sec. 201. The National Housing Act, as amended, is hereby amended—

"(1) by striking out of the first sentence of section 2 (a) 'July 1, 1949' and inserting in lieu thereof 'September 1, 1949';

"(2) by striking out of the proviso in section 203 (a) '\$4,000,000,000' and inserting in lieu thereof '\$5,300,000,000' and by striking out of such proviso '\$5,000,000,000' and inserting in lieu thereof '\$5,500,000,000'; and

"(3) by striking out of the second proviso in section 603 (a) 'June 30, 1949' in each place where it appears therein and inserting in lieu thereof 'August 31, 1949'.

"Sec. 202. This title shall take effect as of June 30, 1949.

#### "TITLE III—LOW-RENT PUBLIC HOUSING

##### "LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

"Sec. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) the Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in

the locality make such revisions necessary in achieving the purposes of this Act;

"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

#### "VETERANS' PREFERENCES

"Sec. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first

preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

"(b) By adding the following new subsection to section 2:

"(14) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

#### "COST LIMITS

"Sec. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### "PRIVATE FINANCING

"Sec. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate."

"(b) The following is added after section 21:

#### "PRIVATE FINANCING

"Sec. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other



obligations to others, than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract."

"(c) In the fourth sentence of section 9 the words 'going Federal rate at the time the loan is made,' are deleted; in the first proviso of subsection 10 (b) the words 'going Federal rate of interest at the time such contract is made' are deleted; and in lieu thereof

in each case there are substituted the words 'applicable going Federal rate'; and subsection 2 (10) is amended to read as follows:

"(10) The term "going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum."

"(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.'"

"(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: '*Provided*, That in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.'"

"(f) The first sentence of subsection 10 (c) is amended to read as follows: 'Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.'"

"(g) Section 14 is amended by inserting the following after the first sentence: 'When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any out-

standing obligations of the public housing agency involved for which annual contributions have been pledged.'

"(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States."

"(i) Subsection 2 (5) is amended to read as follows:

"(5) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."

"(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

#### "ANNUAL CONTRIBUTIONS"

"SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By inserting the following after the first sentence of subsection (e) of section 10: 'With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total



additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further*, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year; and

"(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective

date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (1) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (11) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### "SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

"Sec. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: 'The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age.'

#### "TECHNICAL AMENDMENTS

"Sec. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

"(a) By deleting from section 1 the words 'rural or urban communities' and by substituting therefor the words 'urban and rural nonfarm areas';

"(b) (1) By adding at the end of subsection 2 (11) the following new sentence: 'The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency; and

"(2) By adding the following new subsection 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency;'

"(c) By adding to section 6 of the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth

Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted;'

"(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word 'Provided' to a period; and by adding at the end of said subsection 10 (a) the following new sentence: 'The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however*, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further*, That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe or sanitary housing available to families of low income: *And provided further*, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project.'

"(e) By amending the second sentence of subsection 13 (a) to read as follows: 'The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition;'

"(f) By amending subsection 16 (2) to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require



certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.”

“(g) By amending subsection 21 (d) to read as follows:

“(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State.”; and

“(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### “TITLE IV—HOUSING RESEARCH

“SEC. 401. Title III of Public Law 801, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

“SEC. 301. The Housing and Home Finance Administrator shall—

“(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 6 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is author-

ized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

“(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

“(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

“SEC. 302. In carrying out research and studies under this title, the administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

“SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

“SEC. 304. The administrator shall appoint a director to administer the provisions of this title under the direction and supervision of the administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.”

#### “TITLE V—FARM HOUSING

##### “FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

“SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the ‘Secretary’) is authorized, subject to the terms and conditions of this title, to extend finan-

cial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

“(b) For the purpose of this title, the term ‘farm’ shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

“(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

##### “LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

“SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.

“(b) The instruments under which the loan is made and the security given shall—

“(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

“(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

“(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

“(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.



**"LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS**

"Sec. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 percent of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

"This agreement with respect to credits of principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments in principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

**"OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS**

"Sec. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repair-

ing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

"(b) In order to encourage adequate family size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

**"MORATORIUM ON PAYMENTS UNDER LOANS**

"Sec. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loans for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

**"TECHNICAL SERVICES AND RESEARCH**

"Sec. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

**"PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN**

"Sec. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

**"LOCAL COMMITTEES TO ASSIST SECRETARY**

"Sec. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws of regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

"(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

**"GENERAL POWERS OF SECRETARY**

"Sec. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings,



by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

"(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

#### "ADMINISTRATIVE PROVISIONS

"SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

"(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

"(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

"(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

"(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

"(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

"(f) utilize with respect to the indebtedness arising from loans and payments made

under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled 'An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes' (58 Stat. 836), as such Act now provides or may hereafter be amended;

"(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### "LOAN FUNDS

"SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### "CONTRIBUTIONS

"SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

"SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may

be necessary to enable the Secretary to carry out the provisions of this title.

#### "TITLE VI—MISCELLANEOUS PROVISIONS

##### "ADVISORY COMMITTEES

"SEC. 601. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

##### "AMENDMENTS OF NATIONAL BANKING ACT

"SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words 'obligations of national mortgage associations', a comma and the following: 'or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations'.

"(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor



agency and the Housing and Home Finance Administrator or the Public Housing Administrator in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose."

#### "NATIONAL HOUSING COUNCIL

"SEC. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### "AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

"SEC. 604. (a) The second proviso in the paragraph under the heading 'Federal Public Housing Authority' in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

"(b) The second proviso in the paragraph under the heading 'Public Housing Administration' in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

"(c) The first proviso in the paragraph under the subheading 'Public Housing Administration' in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### "DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

"SEC. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

#### "CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

"SEC. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

#### "CENSUS OF HOUSING

"SEC. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

"(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

#### "NATIONAL CAPITAL HOUSING AUTHORITY

"SEC. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

#### "DISTRICT OF COLUMBIA PARTICIPATION

"SEC. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

"(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

"(c) The District Commissioners are authorized to include in their annual estimates

of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

"(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

"(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

"(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

"(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

"(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the



approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

"(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

"(h) Nothing contained in this section or in any other section of this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### "ACT CONTROLLING

"SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### "SEPARABILITY

"SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### "GENERAL PROVISIONS

"SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a mem-

ber of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law."

And the House agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

BURNET R. MAYBANK,  
JOHN SPARKMAN,  
PAUL H. DOUGLAS,  
RALPH E. FLANDERS,  
HARRY P. CAIN,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment contained a provision that the contracts for financial aid made for slum clearance in communities for development and redevelopment purposes should require that preference in the selection of tenants for dwelling units built in the project area be given to families displaced therefrom because of clearance and redevelopment activity when such families desire to live in such units, and are able to pay rents or prices charged to other families for comparable dwelling units built as part

of the same development. Neither the Senate bill nor the conference substitute contains a similar provision.

Title II of the House amendment provided for temporary extensions of title I of the National Housing Act and section 608 of title VI of such Act, and also provided for an increase of \$500,000,000 in the insurance authorization of title II of such Act. The Senate bill contained no similar provision. The conference substitute contains the language of the House amendment with a provision making the amendments effective as of June 30, 1949.

Titles III and V of the House amendment contained conflicting provisions with respect to veterans' preferences for admission into low-rent public housing projects. The conference substitute contains the provision with respect to veterans' preferences contained in title V of the House amendment making the preferences applicable to World War I as well as World War II veterans. In general such preferences would be available to World War I and World War II veterans for admission to low-rent public housing projects without limitation as to the time the preferences run and in this respect the conference substitute is similar to the provisions of the Senate bill.

The House amendment provided for the construction of 1,050,000 low-rent public housing dwelling units over a period of seven years and authorized annual contributions in an amount not exceeding \$400,000,000 per year. The Senate bill provided for the construction of 810,000 dwelling units over a period of six years with annual contribution contract authorization of a maximum of \$308,000,000 per year. Both the House amendment and the Senate bill provided that the units to be constructed and the contracts for annual contributions both could be accelerated, upon a determination by the President after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy and that such action is in the public interest.

The House amendment provided that the construction of 150,000 units could be commenced annually, and that such amount could be so accelerated by an additional 100,000 units. The Senate bill provided that the construction of 135,000 units could be commenced annually, and such amount could be so accelerated by an additional 65,000 units. The conference substitute contains the provisions of the Senate bill providing for a maximum construction of 810,000 dwelling units over a six-year period and maximum annual contributions of not more than \$308,000,000 per year and the acceleration provision applicable to both, and also contains a provision limiting the commencement of construction of such dwelling units to not to exceed 200,000 units in any fiscal year.

The Senate bill and the House amendment contained provisions deleting the present requirements of law that any public low-rent housing project assisted under the Act must include the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the project. The conference substitute retains the provision striking out these requirements, but, in lieu of the stricken requirements, provides that no financial assistance (other than preliminary loans) shall be made available for any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved enters into an agreement with the local public housing agency providing that, with certain exceptions, there will be



eliminated within five years after the completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided by project.

Title I of the House amendment contained a provision which provided that the wages to be paid mechanics and laborers employed in slum-clearance projects should be determined by the Secretary of Labor pursuant to the Davis-Bacon Act. Title III of the House amendment and title II of the Senate bill amended the existing provisions of law so as to provide that not less than the prevailing wages as determined by the Administrator be paid for work on projects. The conference substitute places the authority for the determination of wages to be paid mechanics and laborers employed in the development of low-rent projects assisted under title III of the bill in the Secretary of Labor. The provision of the conference substitute conforms to the provision contained in title I of the House amendment and retained in title I of the conference substitute.

The House amendment contained a provision in the farm housing title authorizing the Secretary of Agriculture to make loans under sections 603 and 604 of the farm housing title in accordance with the provisions of the Bankhead-Jones Farm Tenant Act to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings. The Senate bill contained no similar provision. The conference substitute in general retains the provision of the House amendment with modification to make clear that the loans would be made in accordance with the terms and conditions of the Housing Act of 1949 and such loans for enlargement or development would be authorized only to encourage adequate family-size farms.

The House amendment contained a provision authorizing the appropriation of \$12,500,000 for grants or loans pursuant to section 604. The Senate bill provided for grants under section 604 in the amount of \$25,000,000. The conference substitute authorizes an appropriation of \$25,000,000 to cover both grants for minor improvements to farm housing and buildings and loans made for land acquisition or development purposes.

The House amendment contained a provision enabling the District of Columbia to participate in the benefits provided by titles I and III of the Act but contained a provision that the Administrator could not enter into a contract of financial assistance under title I of the Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and such appropriation was denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. The Senate bill did not contain a similar provision. The conference substitute follows the provisions of the House amendment except that the denial of financial assistance is conditioned upon a budget estimate of appropriation for a project transmitted pursuant to law and for which no appropriation was made by the Congress.

The House amendment contained the provision which appears in appropriation bills that no part of any appropriation, loan, fund, or expenditure authorized or provided by the Act could be used, directly or indirectly, to pay the salary or wages of any person who engages in a strike against the Government or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the

overthrow of the Government of the United States by force or violence. The Senate bill did not contain a similar provision. The conference substitute makes clear that this prohibition only runs to an officer or employee of the Housing and Home Finance Agency or the Department of Agriculture, and thus avoids the possibility of this prohibition extending to even laborers on the projects as might have been the effect of the broad language of the House amendment.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
MIKE MONRONEY,

*Managers on the Part of the House.*

#### EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a speech he recently made in his district.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD and include a sermon delivered by the Reverend Edward R. Elson in Washington, D. C.

Mr. CORBETT asked and was given permission to extend his remarks in the RECORD and include a Flag Day speech made by the mayor of Pittsburgh, Pa.

Mr. O'HARA of Minnesota asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CASE of New Jersey asked and was given permission to extend his remarks in the Appendix of the RECORD and include the text of a letter from Gov. Alfred E. Driscoll, of New Jersey, to the Metuchen Chapter of the United World Federalists.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

#### COMMITTEE ON AGRICULTURE

Mr. GRANT. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 5345, the Agricultural Adjustment Act of 1949.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### PROGRAM FOR THE BALANCE OF THE WEEK

Mr. PRIEST. Mr. Speaker, I take this time in order to announce that it is the intention, if we finish the basing-point bill and the executive salary increase bill tomorrow to adjourn over until Monday.

#### BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 5, 1949, present to the President, for his approval, a bill of the House of the following title:

H. R. 2282. An act to make certain Government-owned facilities available for inter-

national broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

#### ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House, under its previous order, adjourned until tomorrow, July 7, 1949, at 11 o'clock a. m.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAMP: Committee on Ways and Means. H. R. 5268. A bill to amend certain provisions of the Internal Revenue Code; with an amendment (Rept. No. 920, pt. 2). Ordered to be printed.

Mr. WHITTINGTON: Committee on Public Works. H. R. 5472. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 255. An act to amend section 205 of the Interstate Commerce Act, relating to joint boards; without amendment (Rept. No. 970). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 256. A bill to amend the Interstate Commerce Act, as amended; with an amendment (Rept. No. 971). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 3940. A bill to amend the Civil Aeronautics Act of 1933, as amended, to regulate the transportation, packing, marking, and description of explosives and other dangerous articles; with an amendment (Rept. No. 972). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 4442. A bill to authorize the transfer to the Attorney General of a portion of the Vigo plant, formerly the Vigo ordnance plant, near Terre Haute, Ind., to supplement the farm lands required for the United States prison system; with an amendment (Rept. No. 973). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 5184. A bill to approve contracts negotiated with the Belle Fourche irrigation district, the Deaver irrigation district, the Westland irrigation district, the Stanfield irrigation district, the Vale Oregon irrigation district, and the Prosser irrigation district, to authorize their execution, and for other purposes; without amendment (Rept. No. 974). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of Conference. S. 1070. To establish a national housing jective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes. (Rept. No. 975.) Ordered to be printed.



## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5503. A bill to authorize the Secretary of the Air Force to release and quitclaim a portion of a right-of-way easement to Langley Air Force Base, Va.; to the Committee on Armed Services.

By Mr. PRIEST:

H. R. 5504. A bill to amend the Public Health Service Act with respect to venereal disease rapid-treatment centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 5505. A bill to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SANBORN:

H. R. 5506. A bill to authorize the Palisades Dam and Reservoir project, to authorize the north side pumping division, and related works, to provide for the disposition of reserved space in American Falls Reservoir, and for other purposes; to the Committee on Public Lands.

By Mr. ANGELL:

H. R. 5507. A bill to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940; to the Committee on Merchant Marine and Fisheries.

By Mr. CLEMENTE:

H. R. 5508. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; to the Committee on Armed Services.

By Mr. RANKIN (by request):

H. R. 5509. A bill to provide a more equitable determination of the employment seniority rights of veterans of World War II; to the Committee on Veterans' Affairs.

By Mr. WILLIS:

H. R. 5510. A bill to terminate the war tax rates on certain miscellaneous excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 5511. A bill to amend the provisions of the Perishable Agricultural Commodities

Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture.

H. R. 5512. A bill to amend section 13 of the Federal Farm Loan Act, as amended; to the Committee on Agriculture.

By Mr. ELLIOTT:

H. R. 5513. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. SIMPSON of Pennsylvania:

H. R. 5514. A bill to amend section 2000 (a) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

H. R. 5515. A bill to amend section 2000 (c) (2) of the Internal Revenue Code relating to taxes on tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. TEAGUE:

H. R. 5516. A bill amending Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. HARRISON:

H. J. Res. 289. Joint resolution to provide emergency relief for victims of the flash floods which occurred on June 17 and 18, 1949, in the Commonwealth of Virginia, and for the restoration and reconstruction of the devastated areas; to the Committee on Appropriations.

By Mr. STAGGERS:

H. J. Res. 290. Joint resolution to provide emergency relief for victims of the flash floods which occurred on June 17 and 18, 1949, in Grant, Hardy, Pendleton, and Tucker Counties, W. Va., and for the restoration and reconstruction of the devastated areas; to the Committee on Appropriations.

By Mr. BRAMBLETT:

H. J. Res. 291. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. McDONOUGH:

H. J. Res. 292. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. SHEPPARD:

H. J. Res. 293. Joint resolution to appoint a board of engineers to examine and report upon the proposed central Arizona project; to the Committee on Public Lands.

By Mr. MILLER of Nebraska:

H. Con. Res. 99. Concurrent resolution providing that Congress shall meet on November 1, 1949, to eliminate unnecessary governmental functions and to bring the expenditures of the Federal Government into balance with its income; to the Committee on Rules.

By Mr. WHITE of Idaho:

H. Con. Res. 100. Concurrent resolution to maintain permanent peace and prevent war; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 5517. A bill for the relief of Lt. Ralph E. Hazen; to the Committee on the Judiciary.

By Mr. BUCKLEY of New York:

H. R. 5518. A bill for the relief of Gustav Dora, and Manfred Lobl; to the Committee on the Judiciary.

By Mr. COX:

H. R. 5519. A bill for the relief of James Sech-chau Hwong and Mrs. Tseng-hwa Chow Hwong; to the Committee on the Judiciary.

By Mr. MURPHY:

H. R. 5520. A bill for the relief of Mario Bosco; to the Committee on the Judiciary.

H. R. 5521. A bill for the relief of Pasquale Cuccurullo; to the Committee on the Judiciary.

By Mr. PATTERSON (by request):

H. R. 5522. A bill for the relief of Joaquim B. Calca; to the Committee on the Judiciary.

By Mr. RAYBURN:

H. R. 5523. A bill for the relief of Fred L. Massengill; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 5524. A bill for the relief of William Sullivan; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 5525. A bill for the relief of Mr. and Mrs. Richard E. Deane; to the Committee on the Judiciary.







and maintain the security of the North Atlantic area.

That decision would be taken in accordance with our constitutional procedures. The factors which would have to be considered would be, on the one side, the gravity of the armed attack; on the other side the action which we believed necessary to restore and maintain the security of the North Atlantic area.

That is the end to be achieved. We are bound to do what, in our honest judgment, is necessary to reach that result. If we should be confronted again with a calculated armed attack such as we have twice seen in the twentieth century, I should not suppose that we would decide any action other than the use of armed force effective either as an exercise of the right of collective self-defense or as necessary to restore the peace and security of the North Atlantic area. That decision will rest where the Constitution has placed it.

This is not a legalistic question. It is a question we have frequently faced, the question of faith and principle in carrying out treaties. Those who decide it will have the responsibility for taking all appropriate action under the treaty. Such a responsibility requires the exercise of will—a will disciplined by the undertaking solemnly contracted to do what they decide is necessary to restore and maintain the peace and security of the North Atlantic area. That is our obligation under this article 5. It is equally our duty and obligation to the security of our own country.

#### SUBJECT OF UN CHARTER

All of these provisions of the pact are subject to the overriding provisions of the United Nations Charter. Any measure for self-defense taken under the treaty will be reported to the Security Council of the United Nations. These measures will continue only until the Security Council, with its primary responsibility, takes the necessary action to restore peace and maintain security.

The treaty has no time limit, but after it has been in effect 20 years, any member can withdraw on 1 year's notice. It also provides that, after it has been in existence 10 years, it will be reviewed in the circumstances prevailing at that time. Additional countries may be admitted to the pact by agreement of all the parties already signatories.

These are the principal provisions of the treaty.

Will the pact accomplish its purpose?

No one can say with certainty. We can only act on our convictions. The United States Government and the governments with which we are associated in this treaty are convinced that it is an essential measure for strengthening the United Nations, deterring aggression, and establishing the sense of security necessary for the restoration of the economic and political health of the world.

It seems absurd that it should be necessary, in this era of popular education and highly developed communications, to deal with allegations which have no relation to the truth and could not stand even the crudest test of measurement against realities.

#### NO PLANS TO MAKE WAR

I refer here to the allegations that this treaty conceals aggressive designs on the part of its authors with respect to other countries. Anyone with the most elementary knowledge of the processes of democratic government knows that democracies do not, and cannot, plan aggressive wars. But for those from whom such knowledge may have been withheld I must make the following categorical and unequivocal statement, for which I stand with the full measure of my responsibility in the office I hold:

This country is not planning to make war against anyone. It is not seeking war. It abhors war. It does not hold war to be in-

evitable. Its policies are devised with the specific aim of bridging by peaceful means the tremendous differences which beset international society at the present time.

Allegations that aggressive designs lie behind this country's signature of the Atlantic Pact can rest only on a malicious misrepresentation or a fantastic misunderstanding of the nature and aims of American society.

This treaty is designed to help toward the goal envisioned by President Truman when he said:

"\* \* \* As our stability becomes manifest, as more and more nations come to know the benefits of democracy and to participate in growing abundance, I believe that those countries which now oppose us will abandon their delusions and join with the free nations of the world in a just settlement of international differences."

#### PEACE IS POSITIVE

To bring that time to pass, we are determined, on the one hand, to make it unmistakably clear that immediate and effective counter measures will be taken against those who violate the peace, and on the other, to wage peace vigorously and relentlessly.

Too often peace has been thought of as a negative condition—the mere absence of war. We know now that we cannot achieve peace by taking a negative attitude. Peace is positive, and it has to be waged with all our thought, energy, and courage, and with the conviction that war is not inevitable.

Under the leadership of President Truman, the United States is waging peace with a vigor and on a scale without precedent. While the war was being fought, this country took the initiative in the organization of the United Nations and related agencies for the collective and cooperative conduct of international affairs. We withdrew our military forces, except those required for occupation duties, and quickly reduced our military establishment to about one-tenth its wartime size. We contributed generously to postwar relief and rehabilitation.

When events called for firmness as well as generosity, the United States waged peace by pledging its aid to free nations threatened by aggression, and took prompt and vigorous action to fulfill that pledge. We have actively sought and are actively seeking to make the United Nations an effective instrument of international cooperation. We proposed, and with the eager cooperation of 16 other nations, put into effect a great concerted program for the economic recovery and spiritual reinvigoration of Europe. We joined the other American Republics, and we now join with western Europe, in treaties to strengthen the United Nations and insure international peace and security.

#### WORLD TRADE EXPANSION

The United States is waging peace by promoting measures for the revival and expansion of world trade on a sound and beneficial basis. We are preparing to carry out an energetic program to apply modern skills and techniques to what President Truman has called the primitive and stagnant economies of vast areas, so that they will yield a better and richer life for their people.

The United States is waging peace by throwing its full strength and energy into the struggle, and we shall continue to do so.

We sincerely hope we can avoid strife, but we cannot avoid striving for what is right. We devoutly hope we can have genuine peace, but we cannot be complacent about the present uneasy and troubled peace.

A secure and stable peace is not a goal we can reach all at once and for all time. It is a dynamic state, produced by effort and faith, with justice and courage. The struggle is continuous and hard. The price is never irrevocably ours.

To have this genuine peace we must make it clear that armed attack will be met by collective defense, prompt and effective.

That is the meaning of the North Atlantic Pact.

#### THE NATIONAL HOUSING PROGRAM

During the delivery of Mr. WATKINS' speech,

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MAYBANK. Mr. President, as in legislative session, I submit the conference report on Senate bill 1070, and ask unanimous consent for its immediate consideration.

(For text of conference report, see pp. 9172-9182 of the House proceedings of Wednesday, July 6, 1949.)

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAYBANK. Mr. President, this is a report on the housing bill passed a short while ago by the House. The report is unanimously approved by the Senate conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. TAFT. Mr. President, did the House accept the number of units provided by the Senate?

Mr. MAYBANK. The Senator is correct. The House accepted the decision of the Senate as to the number a year, and also accepted the Langer amendment.

Mr. LANGER. Mr. President, I understand that the farm provisions were left as they were adopted by the Senate.

Mr. MAYBANK. The Senator is correct, as the \$25,000,000 grant provision which the Senator's amendment increased from \$12,500,000. Some minor concession in other respects were made to the House conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### NOMINATIONS OF JOHN E. SLOAN AND MORGAN FORD

During the delivery of Mr. WATKINS' speech,

Mr. MCCARRAN. Mr. President, will the Senator yield to me to present two nominations, which I desire to have considered at this time?

Mr. WATKINS. I ask unanimous consent, Mr. President, that I may be permitted to yield for that purpose, without losing the floor thereby.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MCCARRAN. Mr. President, there was unanimously reported from the Committee on the Judiciary this morning the nomination of John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania, and the nomination of Morgan Ford, of North Dakota, to be judge of the United States Customs Court. The nominations have not been placed on the calendar. In view of the fact that the nominations were reported this morning I must ask for a suspension of the rule



respecting the printing of the nominations on the calendar. I now ask unanimous consent that these nominations may be considered out of order at this time.

Mr. DONNELL. Mr. President, reserving the right to object, I wish to say that I was conversing with a messenger and did not catch the opening remarks of the Senator from Nevada. Will he be kind enough to restate them for my benefit?

Mr. McCARRAN. The Senator from Missouri as a member of the Committee on the Judiciary will recall that this morning there was unanimously approved by the Committee on the Judiciary two nominations, one to be United States marshal for the western district of Pennsylvania, and the other to be a judge of the United States Customs Court. The latter is a resident of the State of North Dakota. I now ask, out of order, unanimous consent that these two nominations may be considered and confirmed, without going on the calendar.

Mr. DONNELL. Mr. President, reserving the right to object, may I inquire of the Senator the reason for the request? There was no statement made, as I recall, in the Committee on the Judiciary this morning, that such action was intended to be taken.

Mr. McCARRAN. That is correct, but because of the situation with respect to appropriation bills, I have great doubt that I, as chairman of the Committee on the Judiciary, can be on the floor either Monday or Tuesday next. I think I will have to be in the Appropriations Committee during those 2 days. Therefore, I believe it to be highly important that the two nominations be considered and acted upon today.

Mr. DONNELL. Mr. President, reserving the right to object, I am sure we would all be very happy to have the distinguished Senator on the floor, and I trust it will be possible for him to be on the floor when action is taken, on the nominations, but it seems to me there is no reason shown for urgency with respect to these two nominations. With all due deference and respect for the Senator from Nevada, for whom I have the greatest respect, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I should like to restate what I said a few days ago with respect to action upon executive nominations. I believe the nomination should be considered in regular order, under regular procedure. I am sure the chairman of the Committee on the Judiciary agrees with me that nominations of Federal judges should be proceeded with under the regular routine. I believe considerable time will be saved if we follow that procedure from now on. I am not speaking, however, only of nominations of judges, but of other nominations. I agreed not to oppose consideration of the nominations referred to by the Senator from Nevada. But, inasmuch as objection has been made by a member of the Committee on the Judiciary, no action can be taken now. In the future, however, I shall have to insist on nominations being considered under the regular procedure, unless an emergency can be shown to exist, and that it

is absolutely necessary that action be taken immediately.

Mr. McCARRAN. Mr. President, I wish to say that I consulted the minority leader before I attempted to bring up the nominations. One of the nominees is a Republican, and I thought naturally Republicans would be glad to have his nomination acted upon immediately.

Mr. WHERRY. I agreed with the Senator, but objection has been made by the distinguished Senator from Missouri.

#### THE NORTH ATLANTIC TREATY

The Senate as in Committee of the Whole resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LODGE. Mr. President, I shall not attempt to duplicate the very excellent arguments that have been made for this treaty by the Senator from Texas and by the Senator from Michigan. In general, I agree with the arguments which they have made, and while I respect the sincerity and the interest and the spirit of devotion which characterizes those who are opposed to the treaty, I must set it down in all frankness that I think their arguments are very weak, marked by a good deal of false logic, by very inaccurate estimates of the realities of the world situation, and that they are overshadowed by a spirit of constantly taking counsel of one's fears, which is not a spirit which ever makes for success in the conduct of any human enterprise.

For reasons which I have expressed many times in the past, I intend to vote in favor of the ratification of this pact. I think there is wisdom in the argument that if the United States had given a similar notice before World War I and World War II both of these wars might possibly have been avoided. The great advantage to me of this undertaking is that it does announce what I believe to be a fact, that we will not be uninterested in cases of future aggression on the nations which are signatory to this treaty. The strength of the undertaking lies in the American potential, which is in back of our opposition to aggression, and which tends therefore to make aggression less likely. It is assuredly no panacea for security, and while I hope that it may in the end result in our being able to reduce our appropriations for national defense, it by no means relieves us of the need of military preparedness; in fact, it cannot have any appreciable effect in that direction for some time. But still, in the unhappy event that aggression should occur, the pact should make it more likely that we could meet that aggression successfully.

Then I also agree with the argument that, to reject the pact would be a step fraught with the most colossal danger. To my mind, even if the pact did not begin with the merit that I think it did begin with, the act of rejecting it today would be a most dangerous and irresponsible thing to do.

Now, Mr. President, all the speculation that I have seen rests on the assumptions that war, if it does come, will be in the form of an attack by the aggressor nation on the nations of western Europe. Now, that of course is one possibility,

and it should not be disregarded when we are thinking of ways and means to combat aggression. It is the likely probability for the first 5 years of this pact, assuming that war is a probability. But I ask Senators to remember that this pact lasts for 20 years, and when we take a long view, a 20-year view—and I think, as Senators who are about to ratify a 20-year pact, we should take a long view—we must come to the conclusion that the fact that Germany on two occasions tried to conquer western Europe and failed does not seem to be sufficient reason for concluding that another aggressor will repeat the mistake that Germany made twice. There is certainly at least room for the argument that the aggressor of the future, if it desires war, will wait until it has developed its maximum strength, and then will attack the United States first, knowing that once the United States is defeated, the whole of western Europe and the rest of the world will drop like a ripe plum. In either case, of course, the Atlantic Pact is of use, although the degree of usefulness is problematical and subject to difference of opinion. In case of an attack on western Europe, there will, thanks to the Atlantic Pact, be nations in western Europe which are much better prepared and better organized than would otherwise be the case. In the case of an attack directly on the United States there will, thanks to the Atlantic Pact, be nations in Europe which are bound to us by the ties of the pact, and which would therefore be under an obligation to react as effectively as they could against the aggression which would be undertaken against us.

Just how effective that reaction would be is another matter. It is as certain as anything can be, I think, that the nations of western Europe will never in our lifetime be able to develop offensive capabilities; I mean offensive capabilities in the sense that it will make them able to take the war to the heart of a major aggressor. And to talk of an arms race as a likely development as a result of this pact, which I think has been done here in the last few days, is to me utterly fantastic. In fact, it is almost to be regretted that the nations of Europe are so weak that the possibility of such an arms race is fantastic. In fact, I think we may as well assume that in case of an attack directly on the United States we should prudently assume that we will have to deal with it almost alone. This, in turn, leads to two questions. Is there any nation today which could successfully attack the United States territory? Second, would we be ready to meet such an attack?

Well, the best opinion appears to be that no nation is able to make such an attack on us at the present time, and certainly it is a comforting thought that no nation today can make an effective parachute or airborne drop on Washington or Boston or Detroit, because it is certainly plain that if such an attack were made today, we would be completely unready to deal with it. Some may accuse me of being visionary and of looking too far ahead when I bring up this possibility. But I submit that it is vital for



# House of Representatives

FRIDAY, JULY 8, 1949

The House met at 11 o'clock a. m.  
The Acting Chaplain, Rev. Jacob S. Payton, offered the following prayer:

Our Heavenly Father, on the threshold of the day's deliberations we seek Thy guidance. May each Member be grandly partisan concerned only with being on the Lord's side. May each glory in wearing the party label of the Lord's own. May all bear the mark of the conservative for seeking to conserve in America religious faith and free government. Likewise may all be liberals subscribing to the liberalizing doctrine that every man is his brother's keeper and to the emancipating knowledge of Thy truth which makes men free indeed. So grant, O Lord, to Members of this body the boon of inward peace reserved for those who never ask what is expedient, but always ask what is right. In the name of Jesus we pray. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; and

S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 50-1.

## EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a copy of the bill S. 2115, which has passed the Senate, and a similar bill introduced by her.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an article from Business Week of July 2, 1949.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post.

Mr. McCULLOCH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus (Ohio) Citizen.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

## SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

## EXTENSION OF REMARKS

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an address written by a young gentleman, by which he won first prize in the Knoxville, Tenn., Flag Day contest.

## PAINTING OLD HOUSE OFFICE BUILDING

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry. I should say I rise to question the privilege of the House, but I have no resolution prepared. But I would like to propound a parliamentary inquiry and would like to discuss it for a moment.

Painters have gone into the Old House Office Building and started on a program of painting the walls in that building where we seldom if ever get any fresh air at all.

I have never known them to air that building out, since they put this cooling system in, with the result that it is literally becoming nauseating to the Members and their clerks who have to work in the building. That ought not to be.

We moved out of the Capitol in order for them to take a year or two to fiddle around over there. Now they have moved into the Old House Office Building. You can smell that paint all the way over here. You can smell it on the fifth floor right now. They are on the first floor and you can smell that paint on the fifth floor.

Unless it is stopped, I will offer a resolution here to bring it to a close and put a stop to it until after Congress adjourns.

There will be plenty of time for them to paint those walls after Congress gets away from here. It is absolutely unthinkable that they should come in there now and make it impossible for Members and their clerks to work in their own offices.

Mr. Speaker, my parliamentary inquiry is, how to go about stopping it?

The SPEAKER. Since the gentleman from Mississippi has called attention to it, the Chair will see that the House Office Building Commission, of which he is chairman, looks into it.

## EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

## HOUSING ACT OF 1949

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 6, 1949.)

Mr. SPENCE. Mr. Speaker, I think the House is entirely familiar with the provisions of the bill and the conference report. We have brought back a conference report that contains provisions that are substantially the same as the House agreed to, and I do not think it is necessary to prolong the discussion. The statement of the managers on the part of the House clearly and succinctly defines the differences and the amendments that have been agreed to.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. An amendment was introduced when the bill passed the House providing that first rights should be given to those moved from slum-clearance districts. We have examples of that in the District of Columbia where it is proposed to move people out, and not give them the right to go into the new units built as a result of the slum-clearance project.

Mr. SPENCE. That was taken care of in other sections of the bill.

Mr. PHILLIPS of California. Can the gentleman point those sections out to us?



Mr. SPENCE. There are provisions insuring the rights of people who have been removed contained in sections 105 (c) and 302.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. SPENCE. The provision of which the gentleman speaks was unnecessary. This law is going to be administered locally by the local housing authorities, and the amendment was unnecessary and impractical. It gave these people a vested interest in land that might subsequently be purchased. There is a provision that requires them to be taken care of during the progress of the project, and they would have the same rights as other citizens similarly situated to be housed in housing projects.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman does not believe that is any reason for rejecting this conference report, does he?

Mr. SPENCE. It would seem to me it would be unthinkable that that would be a reason to reject this conference report. The rights of people who have been mostly discussed were those of our Negro citizens. They have benefited more than any other segment of our people by reason of slum clearance and low rent public housing, and I have no complaint with that because I think on the whole they probably needed this assistance more. In my district they have an excellent project. It would certainly be an unseemly and unreasonable thing to attempt to destroy the housing program because of an amendment such as that which really should not be in here at all. It has no place here because there is nothing of a discriminatory nature provided in this bill, and those things might jeopardize the ultimate success of the whole program. I hope that those arguments will not be made against the conference report.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman understands there are a lot of people in the United States who are not Negroes and that they are also ones who, in many of the areas, have been displaced by housing projects and not permitted to get back in for some reason or other.

Mr. SPENCE. I do not believe that the race question should be in here at all.

Mr. PHILLIPS of California. The gentleman raised the race question himself.

Mr. SPENCE. The same advantages to all are there. Those people are taken care of and there is ample provision in the bill to see that they are taken care of. Of course, they have to be housed while the project is progressing.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It is very pleasing to note the inquiry of my friend from California when, if he had his way there

would be no housing legislation at all and nobody would benefit.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to point out that the proviso mentioned by the chairman completely duplicates the following provision:

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of an available to such displaced families and reasonably accessible to their places of employment.

I do not know how you can state preference any more clearly. Also, it is provided under section 302 (g) that they shall require that the public-housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rates, shall extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project, or which were so displaced within 3 years prior to making application to such public housing agency.

Then the veterans and their families are given the first preference among the slum dwellers who are displaced.

Mr. JAVITS. May I ask two questions: First, does the chairman believe that if the House conferees had insisted on this amendment it would have been an insuperable obstacle to agreement with conferees on the part of the Senate?

Mr. SPENCE. I do.

Mr. JAVITS. Second, does the chairman have assurance that in the administration of this act, if we pass it, the policy of the so-called Powell amendment will in effect be carried out?

Mr. SPENCE. I do not see any reason for discussing discrimination at all. There is no discrimination in the act and there is nothing that could lead to discrimination in the act. It seems to me we are dragging in a red herring to take the minds of the Members off of the real issue which is, Do we want slum clearance and subsidized low-rent housing? That is what we are trying to bring in here, a housing bill. The only way we could bring it back here is in the manner it has been brought back with the provisions of the bill as they now exist.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, when the bill was under consideration in the House the statement was made that it did not make very much difference what amendments the House adopted, that it was expected that the Senate bill in principle would come back as a conference report. And, that is what has happened. So far as the principle of public housing is concerned, as has been said,

it did not make very much difference whether the bill provided for 1,050,000 units or 810,000 units or 1,000 units. Once you adopted the principle and policy of the Federal Government embarking on this activity, then it is expected that the program shall be expanded sufficiently to take in every community in the United States. It is only fair and right that if we clear the slums and provide for low-rent housing in one particular section of the United States, that all of the remaining sections have a right to expect that Congress will make provision for similar programs.

As the chairman of the committee has said, the conferees reduced the amount of public housing from 1,050,000, which the House provided, to 810,000. They eliminated the Powell amendment, and according to the statement of the managers on the part of the House neither the Senate bill nor the conference substitute contains a similar provision. Of course, we can argue all we please about other provisions of the bill taking care of the Powell amendment, but the statement of the managers on the part of the House specifically says that there is no similar provision in the substitute adopted by the conference. I think that answers that.

Now, there is one provision in the conference report that was not in the House report, which I think is highly desirable, and that is the provision that in substance requires the demolition of a unit of substandard units, slums, as we might well call them, for each new unit constructed. Contracts must provide that for each unit of low-cost housing construction which is designed to eliminate slums that during a 5-year period there must be a comparable number of slum units demolished. This is highly desirable. In that respect the bill is very much better than the one that the House passed.

In the farm title the conferees accepted the Senate bill which provided for \$25,000,000 for loans and grants instead of the \$12,500,000 contained in the House bill, and other changes were made which did not change the principle involved very much.

In the so-called Jensen amendment, which was the last amendment adopted, and provided for affidavits on the part of any person employed in slum clearance or low-cost housing, the conferees deleted the word "person" and provided that the non-Communist affidavits, and so forth, apply to only officers and employees of the Housing and Home Finance Agency and the Department of Agriculture. We might just as well have stricken out the whole Jensen amendment, because that narrows the application of the Jensen amendment to existing law. Existing law provides that all employees and officers of the Government must file anti-Communist or loyalty affidavits. By restricting this language to officers and employees of the Housing and Home Finance Agency and the Department of Agriculture, of course, it brings it right back into line with existing law, so there is absolutely no necessity for legislating in that respect. We have already provided for that.



The bill continues for 60 days title I and title VI, about which we have had very many questions, so that title I, FHA, which insures modernization loans, and title VI insurance, will be continued for a 60-day period. We also increase the amount of insurance available under title II by \$500,000,000.

I think you can give your constituents reasonable assurance that the conference report will be adopted by the House and by the Senate, and I would assume from the statements which have come to us from the White House that you can give them positive assurance that the President will sign the bill, thereby continuing title I and title VI for at least 60 days.

The bill is just as bad as it was when it left the House. It is better in only one respect. It was bad then and it is bad now. That is the reason why the three of us managers on the part of the House on this side did not sign the conference report and still oppose the bill.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, the gentleman from Michigan has made some reference to the change in language in the amendment I introduced and which was adopted by an overwhelming vote in this House when the bill was before the House on the 29th of June.

Every appropriation bill which this House has passed during this session of the Congress and the last session of the Congress had incorporated in them an almost identical provision as my amendment to the housing bill. I simply took the language which was in the appropriation bills and added the necessary language to make it apply properly to this bill.

I felt it was necessary to have this provision in the bill in order to prohibit people who advocate the destruction of our form of government by force and violence. This bill when enacted into law will be in effect 40 years, and the Congress will have little or no opportunity to further exercise its will over the law nor over the appropriations to implement the law as we ordinarily do each year in appropriations bills.

I was very anxious, and the vote in the House proves that the membership was also anxious by a vote of 283 to 129, to have my provision inserted in the bill. The conferees, however, saw fit to add language restricting the provisions of the amendment to affect only the officers and employees of the Housing and Home Finance Agency and the Department of Agriculture.

Now I ask the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], why this new language was inserted in this particular bill in face of the fact that the Housing Agency has been subjected to severe attack for being a haven for left wingers and radicals of every shade from pink to deep red.

Mr. SPENCE. The language which was inserted in the gentleman's amendment would apply not only to those people who are permanently employed in the Housing Administration and in the Department of Agriculture, and who are

charged with the duty of executing this law, but would apply to every laborer, every ditch digger, and every mechanic. We thought that would be entirely impractical. Personally I do not think it makes so much difference, because I think a man who is disloyal to his country would not tell the truth about it. That is my personal opinion. That is the reason it was stricken out.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. JENSEN. Why, the Department of the Interior has many thousands of laborers working constantly in the construction of dams and electric power lines, and so forth, the War Department has many thousands of laborers working constantly for them on river-improvement construction, as do other departments of the Government.

Mr. Speaker, it appears very plain that certain Members of this House of Representatives work overtime to give aid and comfort to all the radicals and pinks and commies in the country. So the rest of us must fight hard with what weapons we have against odds which are almost insurmountable. One thing is certain—we will never give up the fight to rid this Nation of its avowed destroyers.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the gentleman's amendment would seriously hamper and interfere with private business. It would not only include hod carriers and any person who worked 1 day or half a day on a project, but it would include bankers who were handling the bonds as brokers. I do not believe the gentleman would like to require 50 or 100 bankers, who are in competition with one another in the purchase of these bonds, all to subscribe to this affidavit when only one could be the successful bidder.

Mr. JENSEN. I would be tickled to death to have them do so.

Mr. PATMAN. And handle this small amount of bonds. The commissions are very small. It includes not only bankers and brokers and hod carriers, but a person who sells one dollar's worth of merchandise to a project. If it happened to be a partnership with 15 or 20 members, each of them would have to make an affidavit that they were not Communists before they could sell one dollar's worth of merchandise to these projects. Local people will have charge of it, and we must assume that they are honest and patriotic American citizens and will not harbor pinks and Reds. I assure the gentleman there is not one single member of our committee who is in favor of the pinks and Reds. We are just as much opposed to them as any person. No one person has a monopoly on the opposition to pinks and Reds in this country.

Furthermore, if the gentleman wants additional safeguards, the money appropriated each year—the maximum amount will be \$308,000,000 a year—will have to be appropriated, and proper safeguards can be placed on each appropri-

tion bill, to guard against any fears that the gentleman may have. That will be an additional place where safeguards can be made.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman knows that he has voted for 11 appropriation bills during this session of Congress, 8 regular and 3 deficiency bills, and in each of those was this language, with no limitation.

Mr. PATMAN. I know, but you are dealing with a different situation.

Mr. JENSEN. No; you are not.

Mr. PATMAN. It covers everything and everybody in the way it should be covered. You do not want to include a 50-cent purchase of merchandise in this. You have to go to a notary public and make an affidavit before you can sell 50 cents worth of merchandise.

Mr. JENSEN. That would be O. K. with me.

Mr. PATMAN. You would have more affidavits than you would have housing.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SPENCE. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. PATMAN. If the gentleman wants to destroy public housing and make it so that the public-housing authorities could not operate, that would be a good step, but we should want to interfere with the local housing people just as little as possible. We must assume that they are just as patriotic as we are. At least, they should be.

The gentleman from Michigan [Mr. WOLCOTT] in his statement that we capitulated and brought back the Senate bill, did not make an accurate statement. There are several important features that are different from the Senate bill, and very much in our favor. For instance, titles I and VI expired June 30, 1949. The Senate bill did not have a provision to extend those titles. The House bill did contain such provision, and, in addition, an authorization of \$500,000,000 more under title II. They were out of money. So the bill not only extends titles I and VI for 60 days, until the committees can pass upon the extension of those titles permanently or for a longer period of time, but we dated them back to June 30, 1949. In other words, there has been no hiatus in the acts at all. They continue on from June 30, 1949. That is a substantial change, and very much in favor of the House.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WOLCOTT. I explained that. I think if you will read my remarks you will find I said that the Senate bill, in principle, was returned. I did not want to indicate that the conference was exactly like the Senate bill, because I explained many differences between the House and Senate bills.

Mr. PATMAN. I am glad to have the gentleman's explanation. I did not understand it that way.

I know we doubled the amount for rural housing, that is substantially, a



100-percent increase. We granted a \$500,000,000 increase in title II. We dated the titles back to June 30, 1949. I think these are all substantial changes. I hope that the conference report is agreed to.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the controversy on the conference report is the same as the controversy on the bill; those who were against the bill are against the conference report for one reason or another, and those who were for the bill are for the conference report.

The conference report does in substance carry out the Senate bill; and that, I think, is generally what the House intended as a reasonable housing program. It carries out also the provisions of the bill introduced by 10 House Republicans, including the provisions for the extension and added financing of FHA, which we think are very important. I feel also that we will continue to press for action on housing for the lower middle-income families, which is not contained in this bill, but which was first provided for in the bill introduced by the 10 House Republicans, later joined in by similar bills introduced by 22 Democratic Members.

I hope those who voted for the bill will vote for the conference report and that it will be adopted.

Mr. SPENCE. Mr. Speaker, we have no further requests for time. I therefore move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### SADAKO TAKAGI

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 623) for the relief of Sadako Takagi, with a Senate amendment and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Sadako Takagi, the Japanese fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in Waukesha, Wis., and a retired United States Army officer of World War II, and that Sadako Takagi may be eligible for a visa as a non-immigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Sadako Takagi is coming to the United States with a bona fide intention of being married to said Lt. William M. Marutani, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of said Sadako Takagi, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry

of said Sadako Takagi, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Sadako Takagi as of the date of her entry into the United States, upon the payment by her of the required fees and head tax."

The amendment was agreed to.

A motion to reconsider was laid on the table.

#### JACOB GROSS, A MINOR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That for the purposes of the immigration and naturalization laws Jacob Gross, a minor orphan grandchild of Rabbi Solomon Horovitz, of New York, N. Y., shall be deemed to be the child of said Rabbi Solomon Horovitz."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS AND INDEPENDENT AGENCIES

Mr. SABATH. Mr. Speaker, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1639) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour; to be equally divided and controlled by the chairman and ranking minority member of the committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself such time as I desire.

Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 1639) which increases the rates of compensation of the heads and assistant heads of executive departments and independent agencies. It provides for 1 hour general debate.

Mr. Speaker, I take it for granted that most of the Members are familiar with the bill and its purpose. The President has requested, urged, and pleaded

for this legislation so that he might keep some men who are ready to resign and who are needed in the most important positions of our Government. As a matter of fact, some very able men have already resigned.

Originally the bill included an increase for employees of the District of Columbia and the Foreign Service, but these two categories have been taken care of by the House previously. This bill will provide an increase in salaries amounting to \$1,237,000. I have the list of the increases provided for in the original bill, and I have also the list of the reductions that have been made by the committee that reported this bill. I am of the opinion that the committee has done a splendid job. They have reduced many of the proposed increases from \$25,000 to \$20,000; some increases have been reduced by \$5,000, by \$3,000, and others by \$2,000. I think they had in mind to try to hold down expenditures to the utmost.

In view of the very earnest and careful consideration that has been given to this bill and the reductions that have been made by the committee in the proposed increases provided and asked for in the original bill, I do not think that we can do any better, as I said before.

Mr. Speaker, our Government is the greatest organization in the world. It is obliged to legislate for approximately 150,000,000 people, and our Government transacted \$142,000,000,000 worth of business last year. Its President and its directors and those in charge of governmental affairs in safeguarding and protecting the country's interests as well as those of its people, are obliged to cope daily with the most astute and capable representatives of our great industrial and financial organizations. The President, as head of this tremendous organization, must by necessity have able and capable men to aid him in carrying out his duties and responsibilities.

Mr. Speaker, this bill provides for a much-needed increase in the salaries of the President's aids and those upon whom he relies and trusts for the vast amount of important duties and functions that transpire daily. They are his household.

The increases provided for in this bill and many others have been recommended by the Hoover Commission, which engaged over 200 experts to investigate and recommend the ways and means for bringing about economy in our great Government. This bill does not go as far as the Hoover Commission report suggests, which Commission, incidentally, has spent almost \$2,000,000 in its research and investigations. This bill provides for 244 increases. The gentleman from Kansas [Mr. REES], former chairman of the Committee on Post Office and Civil Service, feels that there should be at least 60 more, and I say at least 100 additional increases, for I feel that many of those not included but that should be, are those that do the hardest and most important work. This also applies to those attorneys employed by the Department of Justice, whose salaries should be increased by virtue of the fact that they are obliged to continuously cope with the most astute and able corporation law-







[PUBLIC LAW 171—81ST CONGRESS]

[CHAPTER 338—1ST SESSION]

[S. 1070]


AN ACT

To establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Housing Act of 1949".

DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on





his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

## TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

### LOCAL RESPONSIBILITIES

SEC. 101. In extending financial assistance under this title, the Administrator shall—

(a) give consideration to the extent to which appropriate local public bodies have undertaken positive programs (1) for encouraging housing cost reductions through the adoption, improvement, and modernization of building and other local codes and regulations so as to permit the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs, and (2) for preventing the spread or recurrence, in such community, of slums and blighted areas through the adoption, improvement, and modernization of local codes and regulations relating to land use and adequate standards of health, sanitation, and safety for dwelling accommodations; and

(b) encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

### LOANS

SEC. 102. (a) To assist local communities in eliminating their slums and blighted areas and in providing maximum opportunity for the

redevelopment of project areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies for the undertaking of projects for the assembly, clearance, preparation, and sale and lease of land for redevelopment. Such loans (outstanding at any one time) shall be in such amounts not exceeding the expenditures to be made by the local public agency as part of the gross project cost, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds evidencing such loans), as may be deemed advisable by the Administrator.

(b) In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Loans made pursuant to subsection (a) or (b) hereof may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the loan funds so obtained from other sources.

(d) The Administrator may make advances of funds to local public agencies for surveys and plans in preparation of projects which may be assisted under this title, and the contracts for such advances of funds may be made upon the condition that such advances of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to such agency for the undertaking of the project or projects involved.

(e) To obtain funds for loans under this title, the Administrator, on and after July 1, 1949, may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$25,000,000, which limit on such outstanding amount shall be increased by \$225,000,000 on July 1, 1950, and by further amounts of \$250,000,000 on July 1 in each of the years 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$1,000,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in



the building industry and upon the national economy, that such action is in the public interest.

(f) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

### CAPITAL GRANTS

SEC. 103. (a) The Administrator may make capital grants to local public agencies to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grants with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, aggregating not to exceed \$100,000,000, which limit shall be increased by further amounts of \$100,000,000 on July 1 in each of the years 1950, 1951, 1952, and 1953, respectively: *Provided*, That (subject to the total authorization of not to exceed \$500,000,000) such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than \$100,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action

is in the public interest. The faith of the United States is solemnly pledged to the payment of all capital grants contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

#### REQUIREMENTS FOR LOCAL GRANTS-IN-AID

SEC. 104. Every contract for capital grant under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to one-third of the aggregate net project costs involved (it being the purpose of this provision and section 103 to limit the aggregate of the capital grants made by the Administrator with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title to an amount not exceeding two-thirds of the difference between the aggregate of the gross project costs of all such projects and the aggregate of the total sales prices and capital values referred to in section 110 (f) of land in such projects).

#### LOCAL DETERMINATIONS

SEC. 105. Contracts for financial aid shall be made only with a duly authorized local public agency and shall require that—

(a) The redevelopment plan for the project area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the land in the project area to be redeveloped in accordance with the redevelopment plan; (ii) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (iii) the redevelopment plan conforms to a general plan for the development of the locality as a whole;

(b) When land acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees shall be obligated (i) to devote such land to the uses specified in the redevelopment plan for the project area; (ii) to begin the building of their improvements on such land within a reasonable time; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title;

(c) There be a feasible method for the temporary relocation of families displaced from the project area, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their



places of employment: *Provided*, That in view of the existing acute housing shortage, each such contract entered into prior to July 1, 1951, shall further provide that there shall be no demolition of residential structures in connection with the project assisted under the contract prior to July 1, 1951, if the local governing body determines that the demolition thereof would reasonably be expected to create undue housing hardship in the locality.

(d) No land for any project to be assisted under this title shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

#### GENERAL PROVISIONS

SEC. 106. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or capital grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government; and

(4) make an annual report to the President, for transmission to the Congress, to be submitted as soon as practicable following the close of the year for which such report is made.

(b) Funds made available to the Administrator pursuant to the provisions of this title shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for any of the purposes of this title (except for capital grants pursuant to section 103 hereof), and all funds available for carrying out the functions of the Administrator under this title (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this title. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this title, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of capital grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this title) as he may deem necessary to assure that the purposes of this title will be achieved. No provision of this title shall be construed or administered to permit speculation in land holding.

(d) Section 3709, as amended, of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed \$1,000.

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State.

#### PAYMENT FOR LAND USED FOR LOW-RENT PUBLIC HOUSING

SEC. 107. If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this title, payment equal to the fair value of the land for the uses specified in accordance with the re-



development plan shall be made therefor by the public housing agency undertaking the housing project, and such amount shall be included as part of the development cost of the low-rent housing project.

#### SURPLUS FEDERAL REAL PROPERTY

SEC. 108. The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts.

#### PROTECTION OF LABOR STANDARDS

SEC. 109. In order to protect labor standards—

(a) Any contract for financial aid pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality; as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract;

(b) The provisions of title 18 U. S. C., section 874, and of title 40 U. S. C., section 276c, shall apply to any project financed in whole or in part with funds made available pursuant to this title;

(c) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within five days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

#### DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Redevelopment area" means an area which is appropriate for development or redevelopment and within which a project area is located.

(b) "Redevelopment plan" means a plan, as it exists from time to time, for the development or redevelopment of a redevelopment or project area, which plan shall be sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) to indicate proposed land uses and building requirements in the project area: *Provided*, That the Administrator shall take such steps as he deems necessary to assure consistency between the redevelopment plan and any highways or other public improvements in the locality receiving financial assistance from the Federal Works Agency.

(c) "Project" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area which is predominantly residential in character, or (ii) any other deteriorated or deteriorating area which is to be developed or redeveloped for predominantly residential uses, or (iii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise substantially impairs or arrests the sound growth of the community and which is to be developed for predominantly residential uses, or (iv) open land necessary for sound community growth which is to be developed for predominantly residential uses (in which event the project thereon, as provided in the proviso of section 103 (a) hereof, shall not be eligible for any capital grant); (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, and other site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the redevelopment plan. For the purposes of this title, the term "project" shall not include the construction of any of the buildings contemplated by the redevelopment plan, and the term "redevelopment" and derivatives thereof shall mean develop as well as redevelop. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project), and demolition or removal work, or site improvements in the project area, at their cost; and (3) the provision, at their cost, of parks, playgrounds, and public buildings or facilities (other than low-rent public housing) which are primarily of direct benefit to the project and which are necessary to serve or support the new uses of land in the project area in accordance with the redevelopment plan: *Provided*, That, in any case where, in the determination of the Administrator, any park, playground, public building, or facility is of direct and substantial benefit both to the project and to other areas, the



Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for such project, there shall be included an allowance of an appropriate portion (as determined by the Administrator) of the cost of such park, playground, public building, or facility. No demolition or removal work, improvement, or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, for such work, or the construction of such improvement or facility, shall be eligible for inclusion as a local grant-in-aid in connection with a project or projects assisted under this title.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land retained by it for use in accordance with the redevelopment plan.

(g) "Going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined at the date the contract for advance of funds or for loan is made. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body which is authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(i) "Administrator" means the Housing and Home Finance Administrator.

## TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

SEC. 201. The National Housing Act, as amended, is hereby amended—

(1) by striking out of the first sentence of section 2 (a) "July 1, 1949" and inserting in lieu thereof "September 1, 1949";

(2) by striking out of the proviso in section 203 (a) "\$4,000,000,000" and inserting in lieu thereof "\$5,300,000,000" and by striking out of such proviso "\$5,000,000,000" and inserting in lieu thereof "\$5,500,000,000"; and

(3) by striking out of the second proviso in section 603 (a) "June 30, 1949" in each place where it appears therein and inserting in lieu thereof "August 31, 1949".

SEC. 202. This title shall take effect as of June 30, 1949.

### TITLE III—LOW-RENT PUBLIC HOUSING

#### LOCAL RESPONSIBILITIES AND DETERMINATIONS; TENANCY ONLY BY LOW-INCOME FAMILIES

SEC. 301. The United States Housing Act of 1937, as amended, is hereby amended by adding the following additional subsections to section 15:

"(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

"(a) The Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

"(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof.

"(8) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that—

"(a) the public housing agency shall fix maximum income limits for the admission and for the continued occupancy of families in such housing, that such maximum income limits and all revisions thereof shall be subject to the prior approval of the Authority, and that the Authority may require the public housing agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this Act;



"(b) a duly authorized official of the public housing agency involved shall make periodic written statements to the Authority that an investigation has been made of each family admitted to the low-rent housing project involved during the period covered thereby, and that, on the basis of the report of said investigation, he has found that each such family at the time of its admission (i) had a net family income not exceeding the maximum income limits theretofore fixed by the public housing agency (and approved by the Authority) for admission of families of low income to such housing; and (ii) lived in an unsafe, insanitary, or overcrowded dwelling, or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant: *Provided*, That the requirement in (ii) shall not be applicable in the case of the family of any veteran or serviceman (or of any deceased veteran or serviceman) where application for admission to such housing is made not later than five years after March 1, 1949;

"(c) in the selection of tenants (i) the public housing agency shall not discriminate against families, otherwise eligible for admission to such housing, because their incomes are derived in whole or in part from public assistance and (ii) in initially selecting families for admission to dwellings of given sizes and at specified rents the public housing agency shall (subject to the preferences prescribed in subsection 10 (g) of this Act) give preference to families having the most urgent housing needs, and thereafter, in selecting families for admission to such dwellings, shall give due consideration to the urgency of the families' housing needs; and

"(d) the public housing agency shall make periodic reexaminations of the net incomes of tenant families living in the low-rent housing project involved; and if it is found, upon such reexamination, that the net incomes of any such families have increased beyond the maximum income limits fixed by the public housing agency (and approved by the Authority) for continued occupancy in such housing, such families shall be required to move from the project."

#### VETERANS' PREFERENCES

SEC. 302. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By adding the following new subsection to section 10:

"(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application to

such public housing agency for admission to any low-rent housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

(b) By adding the following new subsection to section 2:

"(14) The term 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term 'serviceman' shall mean a person in the active military or naval service of the United States who has served therein on or after September 16, 1940, and prior to July 26, 1947, or at any time on or after April 6, 1917, and prior to November 11, 1918."

#### COST LIMITS

SEC. 303. Subsection 15 (5) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows:

"(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) shall not exceed \$1,750 per room (\$2,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing



in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract."

#### PRIVATE FINANCING

SEC. 304. In order to stimulate increasing private financing of low-rent housing projects, the United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) The last proviso of subsection (b) of section 10 is repealed, and subsection (f) of said section is amended to read as follows:

"(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.";

(b) The following is added after section 21:

#### "PRIVATE FINANCING

"SEC. 22. To facilitate the enlistment of private capital through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

"(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

"(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

"(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

"(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in

accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this Act) shall continue to make annual contributions available for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this Act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided*, That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.”;

(c) In the fourth sentence of section 9 the words “going Federal rate at the time the loan is made,” are deleted; in the first proviso of subsection 10 (b) the words “going Federal rate of interest at the time such contract is made” are deleted; and in lieu thereof in each case there are substituted the words “applicable going Federal rate”; and subsection 2 (10) is amended to read as follows:

“(10) The term ‘going Federal rate’ means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.”;

(d) Section 9 is amended by striking out the period at the end of said section and adding a colon and the following: “*Provided*, That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.”;

(e) Subsection 10 (c) is amended by striking out the period at the end of the last sentence and adding a colon and the following: “*Provided*, That, in the case of projects initiated after March 1, 1949,



contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further*, That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.”;

(f) The first sentence of subsection 10 (c) is amended to read as follows: “Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions.”;

(g) Section 14 is amended by inserting the following after the first sentence: “When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.”;

(h) Section 20 is amended to read as follows:

“SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and

sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.”;

(i) Subsection 2 (5) is amended to read as follows:

“(5) The term ‘development’ means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term ‘development cost’ shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.”; and

(j) The following additional subsection is added to section 15:

“(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.”

#### ANNUAL CONTRIBUTIONS

SEC. 305. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: “With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$58,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than \$55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided*, That (subject to the authorization of not



to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further*, That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year.”; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

“(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 per centum of the annual shelter rents charged in such project: *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the requirement for tax exemption and the authorization of payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 per centum of the annual contributions paid by the Authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the Authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contribution dates occurred during the two-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 per centum of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contribution dates occur on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu

of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

#### SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 306. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

#### TECHNICAL AMENDMENTS

SEC. 307. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period; and by adding at the end of said



subsection 10 (a) the following new sentence: "The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however*, That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further*, That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income: *And provided further*, That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project."

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.";

(f) By amending subsection 16 (2) to read as follows:

"(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$336,000,000 provided in this Act for annual contributions, nor more than 10 per centum of the amounts provided for in this Act for grants, shall be expended within any one State."; and

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

#### TITLE IV—HOUSING RESEARCH

SEC. 401. Title III of Public Law 901, Eightieth Congress, approved August 10, 1948, is hereby amended to read as follows:

"SEC. 301. The Housing and Home Finance Administrator shall—

"(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities



now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided*, That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

“(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this Act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

“(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

“SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502 (c) of the Housing Act of 1948.

“SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

"SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency."

## TITLE V—FARM HOUSING

### FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.

(b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

### LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.



(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

#### LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS  
TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such



loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

#### TECHNICAL SERVICES AND RESEARCH

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

#### PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall be a person who served in the land or naval forces of the United States during any war between the United States and any other nation and who shall have been discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean men or women who served in the land or naval forces of the United States during any war between the United States and any other nation and who died in service before the termination of such war.

## LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

## GENERAL POWERS OF SECRETARY

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

## ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—



(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

#### LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of \$25,000,000 on and after July 1, 1949, an additional \$50,000,000 on and after July 1, 1950, an additional \$75,000,000 on and after July 1, 1951, and an additional \$100,000,000 on and after July 1, 1952. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

#### CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed \$500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which shall require additional contributions aggregating not more than \$1,000,000, \$1,500,000, and \$2,000,000 per annum, respectively.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional \$2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased



by further amounts of \$5,000,000, \$8,000,000, and \$10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

## TITLE VI—MISCELLANEOUS PROVISIONS

### ADVISORY COMMITTEES

SEC. 601. The Housing and Home Finance Administrator may appoint such advisory committee or committees as he may deem necessary in carrying out his functions, powers, and duties, under this or any other Act. Service as a member of any such committee shall not constitute any form of service or employment within the provisions of sections 281, 283, or 284 of title 18 United States Code.

### AMENDMENTS OF NATIONAL BANKING ACT

SEC. 602. (a) The last sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is amended by inserting before the colon, after the words "obligations of national mortgage associations", a comma and the following: "or such obligations of any local public agency (as defined in section 110 (h) of the Housing Act of 1949) as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b)

shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations".

(b) Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof the following:

"(11) Obligations of a local public agency (as defined in section 110 (h) of the Housing Act of 1949) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended) which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose."

#### NATIONAL HOUSING COUNCIL

SEC. 603. The Secretary of Labor or his designee, and the Federal Security Administrator or his designee, shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency.

#### AMENDMENTS OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948, AND THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1949

SEC. 604. (a) The second proviso in the paragraph under the heading "Federal Public Housing Authority" in title I of the Government Corporations Appropriation Act, 1948, is hereby repealed as of July 1, 1947.

(b) The second proviso in the paragraph under the heading "Public Housing Administration" in title I of the Government Corporations Appropriation Act, 1949, is hereby repealed as of July 1, 1948.

(c) The first proviso in the paragraph under the subheading "Public Housing Administration" in title II of the Government Corporations Appropriation Act, 1949, is hereby repealed.

#### DEPUTY HOUSING AND HOME FINANCE ADMINISTRATOR

SEC. 605. The Housing and Home Finance Administrator shall appoint a Deputy Housing and Home Finance Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Deputy Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.



## CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS

SEC. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided*, That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948 is hereby repealed.

## CENSUS OF HOUSING

SEC. 607. (a) The Director of the Census is authorized and directed to take a census of housing in each State, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, and Alaska, in the year 1950 and decennially thereafter in conjunction with, at the same time, and as a part of the population inquiry of the decennial census in order to provide information concerning the number, characteristics (including utilities and equipment), and geographical distribution of dwelling units in the United States. The Director of the Census is authorized to collect such supplementary statistics (either in advance of or after the taking of such census) as are necessary to the completion thereof.

(b) All of the provisions, including penalties, of the Act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929, as amended (U. S. C., title 13, ch. 4), shall apply to the taking of the census provided for in subsection (a) of this section.

## NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 608. Notwithstanding any other provisions of law, the National Capital Housing Authority is hereby authorized to acquire sites within the District of Columbia for low-rent public housing projects assisted under the provisions of the United States Housing Act of 1937, as amended.

## DISTRICT OF COLUMBIA PARTICIPATION

SEC. 609. To make available to the District of Columbia, and to authorize the appropriate agencies operating therein to accept, the benefits provided by titles I and III of this Act, the District of Columbia Redevelopment Act of 1945 is hereby amended by renumbering sections 20, 21, and 22 thereof as sections 21, 22, and 23, respectively, and by adding after section 19 a new section to read as follows:

"SEC. 20. (a) As an alternative method of financing its authorized

operations and functions under the provisions of this Act (in addition to that provided in section 16 of this Act), the Agency is hereby authorized and empowered to accept financial assistance from the Housing and Home Finance Administrator (hereafter in this section referred to as the Administrator), in the form of advances of funds, loans, and capital grants pursuant to title I of the Housing Act of 1949, to assist the Agency in acquiring real property for redevelopment of project areas and carrying out any functions authorized under this Act for which advances of funds, loans, or capital grants may be made to a local public agency under title I of the Housing Act of 1949, and the Agency, subject to the approval of the District Commissioners and subject to such terms, covenants, and conditions as may be prescribed by the Administrator pursuant to title I of the Housing Act of 1949, may enter into such contracts and agreements as may be necessary, convenient, or desirable for such purposes.

“(b) Subject to the approval of the District Commissioners, the Agency is authorized to accept from the Administrator advances of funds for surveys and plans in preparation of a project or projects authorized by this Act which may be assisted under title I of the Housing Act of 1949, and the Agency is authorized to transfer to the Planning Commission so much of the funds so advanced as the District Commissioners shall determine to be necessary for the Planning Commission to carry out its functions under this Act with respect to the project or projects to be assisted under title I of the Housing Act of 1949.

“(c) The District Commissioners are authorized to include in their annual estimates of appropriations items for administrative expenses which, in addition to loan or other funds available therefor, are necessary for the Agency in carrying out its functions under this section.

“(d) Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949, the Administrator is authorized to allow and credit to the Agency such local grants-in-aid as are approvable pursuant to said section 110 (d) with respect to any project or projects undertaken by the Agency under a contract or contracts entered into under this section and assisted under title I of the Housing Act of 1949. In the event such local grants-in-aid as are so allowed by the Administrator are not sufficient to meet the requirements for local grants-in-aid pursuant to title I of the Housing Act of 1949, the District Commissioners are hereby authorized to enter into agreements with the Agency, upon which agreements the Administrator may rely, to make cash payments of such deficiencies from funds of the District of Columbia. The District Commissioners shall include items for such cash payments in their annual estimates of appropriations, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such cash payments. Any amounts due the Administrator pursuant to any such agreements shall be paid promptly from funds appropriated for such purpose.

“(e) All receipts of the Agency in connection with any project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, whether in the form of advances of funds, loans, or capital grants made by the Administrator to the Agency, or in the form of proceeds, rentals, or revenues derived by



the Agency from any such project or projects, shall be deposited in the Treasury of the United States to the credit of a special fund or funds, and all moneys in such special fund or funds are hereby made available for carrying out the purposes of this Act with respect to such project or projects, including the payment of any advances of funds or loans, together with interest thereon, made by the Administrator or by private sources to the Agency. Expenditures from such fund shall be audited, disbursed, and accounted for as are other funds of the District of Columbia.

“(f) With respect to any project or projects undertaken by the Agency which are financed in accordance with this section with assistance under title I of the Housing Act of 1949—

“(1) sections 3 (f), 3 (k), and 7 (g), and the last sentence of section 6 (b) (2) of this Act shall not be applicable to those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

“(2) the site and use plan for the redevelopment of the area, included in the redevelopment plan of the project area pursuant to section 6 (b) (2) of this Act, shall include the approximate extent and location of any land within the area which is proposed to be used for public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended;

“(3) notwithstanding any other provisions of this Act, the Agency, pursuant to section 7 (a) of this Act, shall have power to transfer to and shall at a practicable time or times transfer by deeds to the National Capital Housing Authority those pieces of real property which, in accordance with the approved project area redevelopment plan, are to be devoted to public housing to be undertaken under Public Law 307, Seventy-third Congress, approved June 12, 1934, as amended, and, in accordance with the requirements of section 107 of the Housing Act of 1949, the National Capital Housing Authority shall pay for the same out of any of its funds available for such acquisition.

“(g) It is the purpose and intent of this section to authorize the District Commissioners and the appropriate agencies operating within the District of Columbia to do any and all things necessary to secure financial aid under title I of the Housing Act of 1949. The District of Columbia Redevelopment Land Agency is hereby declared to be a local public agency for all of the purposes of title I of the Housing Act of 1949. As such a local public agency for all of the purposes of title I of the Housing Act of 1949, the Agency is also authorized to borrow money from the Administrator or from private sources as contemplated by title I of the Housing Act of 1949, to issue its obligations evidencing such loans, and to pledge as security for the payment of such loans, and the interest thereon, the property, income, revenues, and other assets acquired in connection with the project or projects financed in accordance with this section with assistance under title I of the Housing Act of 1949, but such obligations or such pledge shall not constitute a debt or obligation of either the United States or of the District of Columbia.

“(h) Nothing contained in this section or in any other section of

this Act shall relieve the Administrator of his responsibilities and duties under section 105 (c) or any other section of the Housing Act of 1949. The Administrator shall not enter into any contract of financial assistance under title I of this Act with respect to any project of the District of Columbia Redevelopment Land Agency for which a budget estimate of appropriation was transmitted pursuant to law and for which no appropriation was made by the Congress."

#### ACT CONTROLLING

SEC. 610. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

#### SEPARABILITY

SEC. 611. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

#### GENERAL PROVISIONS

SEC. 612. No part of any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act, shall be used directly or indirectly to pay the salary or wages of any officer or employee of the Housing and Home Finance Agency or the Department of Agriculture who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the officer or employee making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such officer or employee does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates,



the overthrow of the Government of the United States by force or violence and accepts an office or employment in the Housing and Home Finance Agency or the Department of Agriculture the salary or wages for which are paid from any appropriation, loan, fund, or expenditure authorized by or provided pursuant to this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Approved July 15, 1949.







[COMMITTEE PRINT]

# THE HOUSING ACT OF 1949 WHAT IT IS AND HOW IT WORKS

## A HANDBOOK

ON

INFORMATION ON PROVISIONS OF THE ACT

AND

OPERATIONS UNDER THE  
VARIOUS PROGRAMS

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SLUM CLEARANCE  
PUBLIC HOUSING  
HOUSING RESEARCH  
FARM HOUSING  
SUMMARY OF THE ACT



JULY 27, 1949

Printed for the use of the Committee on Banking and Currency

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## INTRODUCTION

Because of the numerous requests for information on what the Housing Act of 1949 provides and how it will work in practice made upon me and the staff of our committee by numerous Senators and their office staff and by the public, I requested the committee staff to cooperate with the Housing and Home Finance Agency in preparing an easily readable but accurate explanation of the act and the answers to the questions most frequently raised with respect to it.

This booklet will provide the best information available at this time on the various provisions of the act: slum clearance, public housing, housing research, and farm housing. Title II is not covered because this is merely a temporary extension of certain existing Federal Housing Administration mortgage-insurance operations for which further continuation is provided in additional housing legislation now under consideration in the Congress.

This does not present a detailed analysis of the act, nor does it answer all of the questions that have been and will be raised. It is intended primarily to high light and amplify those sections of the act which are of greatest interest to the general public. Some questions must await formulation of administrative policies and regulations authorized by the act, some depend also upon congressional appropriations.

Except for the farm-housing program, which will be administered by the United States Department of Agriculture through the Farmers Home Administration, all programs under the act will be carried out by the Housing and Home Finance Agency at the Federal level. The public housing program will be handled through the Public Housing Administration, a constituent of the HHFA, and the slum clearance and housing research programs will be handled directly through the Office of the Administrator in the HHFA.

BURNET R. MAYBANK, *Chairman:*



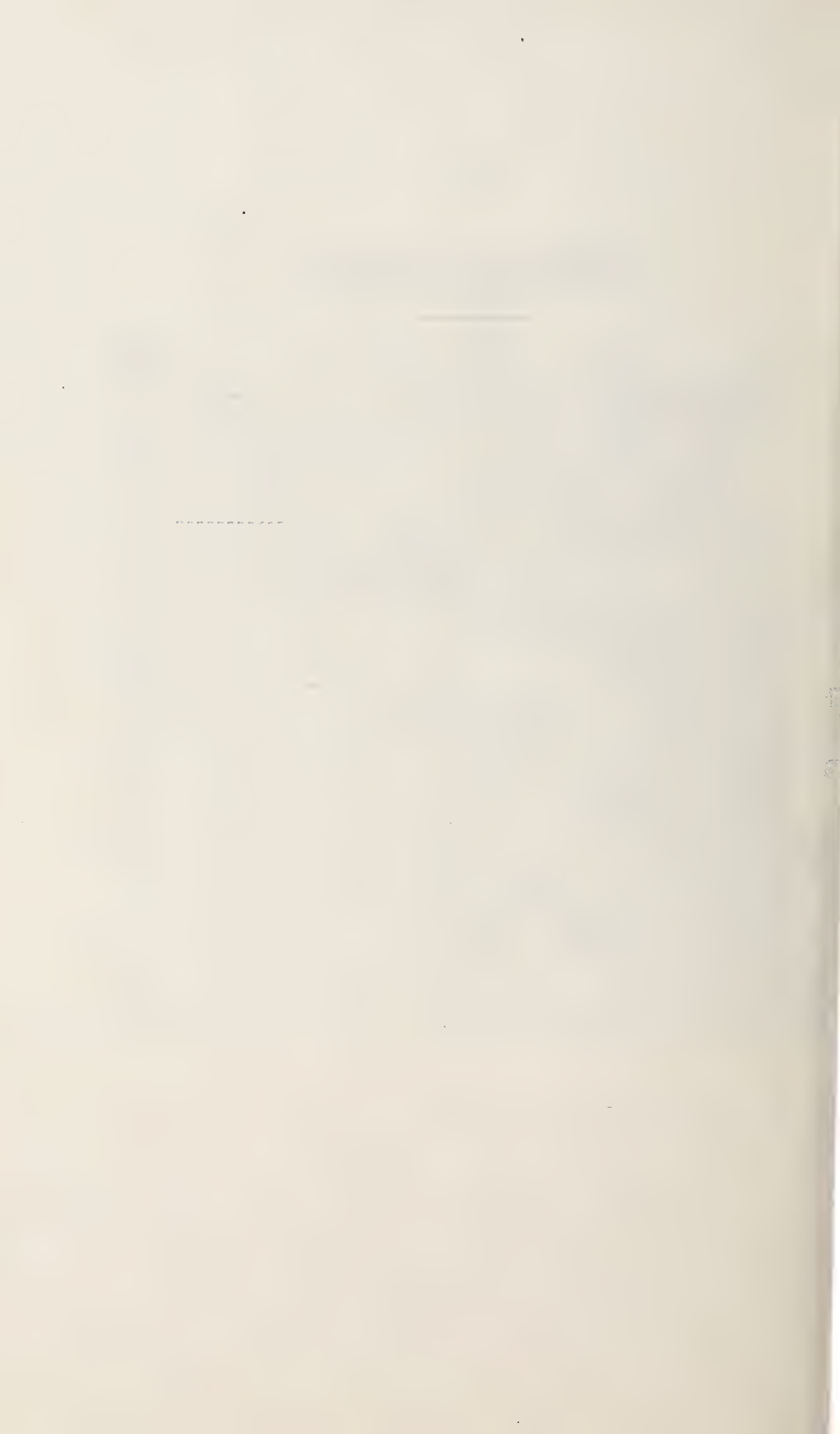


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# THE HOUSING ACT OF 1949—WHAT IT IS AND HOW IT WORKS

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## TITLE I

### SLUM CLEARANCE AND URBAN REDEVELOPMENT

#### PROBLEM

Practically every city in the United States, both large and small, contains slum and other blighted or deteriorated areas which are major civic liabilities, unsound both economically and socially.

One of the main obstacles to clearance of slums and blighted areas is cost. Generally, the cost of acquiring an existing slum area at its current market value, and of clearing and preparing it for redevelopment is greater than the value of the land when redeveloped for its most appropriate uses. Furthermore, the large amounts of capital needed to finance large-scale clearance and redevelopment of slums and other blighted areas are generally unavailable either through city resources or private investment.

Chiefly because of this cost neither private enterprise, nor local communities with their limited sources of revenue, have been able to make much headway in effective slum clearance.

Another major obstacle is the problem of providing adequate rehousing for families displaced when slums are cleared. Lack of adequate housing for these displaced families to live in has made it impossible for most cities to clear slums and blighted areas on any large scale.

#### THE PURPOSE OF SLUM CLEARANCE

The Housing Act of 1949 recognizes slums as a national problem. A person who becomes a juvenile delinquent or a tuberculosis case because of slum conditions is no less a national than a local liability. A slum neighborhood that requires more than its proportionate share of health and welfare services is a drain on national as well as local resources, and seriously affects the development of good citizenship and confidence in the values of democracy.

Here, briefly, is the principle behind title I of the Housing Act of 1949: From any angle—citizenship, health, appearance, taxes, or property protection—it is better to pay now for the cost of clearing slums and thereby get rid of them than to continue paying the mounting costs of slums and suffer their destructive effects upon human lives and property indefinitely.

The Housing Act makes possible, for the first time in our history, a comprehensive attack upon slums and blighted areas by local com-



munities. It provides the leverage that cities have long needed to get their redevelopment programs going. First, it attacks the obstacles of large capital outlays and high write-down costs for preparing slum lands for reuse by authorizing the Federal Government to make loans for acquiring, clearing, and preparing the area and to make Federal grants to pay up to two-thirds of the net cost incurred.

Second, the Housing Act of 1949 helps remove the road block of rehousing. It requires cities applying for Federal loans and grants to prepare solid plans for temporary accommodations, where needed, and permanent relocation in decent quarters of people who have to leave slum areas because of clearance operations. Under title III it provides financial assistance to localities for 810,000 units of public housing in which priority must be given to eligible low-income families displaced by slum-clearance projects. Under title I it offers loans to acquire open land which is to be developed for primarily residential purposes, thus opening up space to assist construction to provide rehousing for those having to leave slum-clearance sites, and helping to relieve the pressure of overcrowding in present and soon-to-be-torn-down slums.

It should be noted that Federal financial aid is used only to acquire, clear, and prepare the land. It is not available for rebuilding an area. However, in the case of projects on open or predominantly open land, loans can be made to municipalities and other public bodies for schools and other public facilities necessary to support the new uses of the land. The reconstruction of the area is undertaken by private and public interests that acquire the property for its proposed new uses, since the price to be paid will be consistent with its economical development for such purposes.

#### ACHIEVING BROAD REDEVELOPMENT

Throughout the Housing Act of 1949, and particularly in title I, continual strong emphasis is placed on the elimination of unsafe, insanitary, and inadequate existing housing and stimulation of provision of decent, safe, and sanitary new housing. The reason for this emphasis is simple: The Housing Act of 1949 sets forth as a national objective of a comprehensive housing program the realization of a decent home in a good living environment for every American family as soon as feasible. This objective cannot be achieved without a comprehensive, soundly planned slum-clearance and redevelopment program.

The slum-clearance program aims not only to eliminate present slums, but also to prevent their recurrence. That is why a redevelopment plan must conform to a general local plan as a requirement for Federal loan and grant assistance. Such planning is necessary to insure orderly community growth, prevent the recurrence of slums, and to stabilize and protect property values and investments in the future. If good new housing is to stay good, it must have readily available the necessary public facilities such as parks, playgrounds, schools, and streets; convenient access to commercial and industrial areas; and assurance that its new use will be related to future as well as present development and needs.

## WHAT TITLE I OF THE HOUSING ACT PROVIDES

*Types of projects*

Federal assistance is available for four types of projects. Such projects, to qualify for Federal assistance under the act, must be predominantly residential either before or after their redevelopment.

1. *Residential slum or blighted areas.*—Any slum area or any deteriorating or deteriorated area which, prior to redevelopment, is predominantly residential in character. Federal assistance is available in such case without restriction or limitation as to the types or categories of uses for which such an area is to be redeveloped. Thus such an area may be redeveloped for any locally approved use or combination of uses. Both loans and grants are available for this type of project. Typical of this classification are the familiar slum areas, with their overcrowded tenement and ramshackle old dwellings and other structures, that are found in virtually every city.

2. *Nonresidential blighted areas.*—Any deteriorated or deteriorating area which, prior to redevelopment, is not predominantly residential in character. Federal assistance is available in such cases only if the area is to be redeveloped for predominantly residential uses. Both loans and grants are available for this type of project. Examples are run-down areas that ring the centers of many cities, with commercial plants and shops that could more suitably be located elsewhere and be replaced by good houses and apartments for people who prefer or need to live close to the center of the city.

3. *Predominantly open areas.*—Any land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community. Federal assistance is available in such case only if the land is to be developed for predominantly residential uses. Both loans and grants are available for this type of project, but it is expected that both the acquisition and write-down costs for this type of project will usually be much less than for a built-up slum area. Typical of such land are the optimistic subdivisions of the 1920's, where crumbling sidewalks and tax-delinquent, weed-grown lots are choking city growth, although they already have streets and utilities and if redeveloped and replanned, may lend themselves to redevelopment as good residential taxpayers.

4. *Open areas.*—Any open land—land inside or outside the corporate limits on which there has been virtually no urban development necessary for sound community growth. Federal assistance is available in such case only if the land is to be developed for predominantly residential uses. Loans are available for this type of project, but grants are not available. Such development may be needed to provide more living space for those now crowded in slums and blighted areas and who will have to leave clearance areas.

*Types of assistance*

Three types of financial assistance are available.

1. *Advance of funds.*—Advances of funds may be made to local public agencies for surveys and plans in preparation of projects which may be assisted under title I of the act. A condition of such advances



will be that projects planned are consistent with all requirements of title I. Such advances must be repaid, with interest, out of any moneys which become available to such agency for the project or projects involved.

2. *Loans.*—Amount: A total of \$1,000,000,000 to become available over a period 5 years—\$25,000,000 as of July 1, 1949, \$225,000,000 on July 1, 1950, and \$250,000,000 for each of the three following fiscal years. The President has authority to increase the authorization in any one year by \$250,000,000, but the total authorization of \$1,000,000,000 remains the same.

Temporary loans may be made to local public agencies to finance the initial costs of planning a project, assembling, clearing, and preparing the land for sale or lease, and selling and leasing the land.

In the case of any project on land which is open or predominantly open, temporary loans may be made to municipalities or other public bodies for the provision of schools or other public facilities necessary to serve or support the new uses of the land. Such loans must be repaid in not to exceed 10 years.

Long-term loans are also authorized. Such loans would in all probability be used only in cases where all or part of the land acquired in a project area is leased for redevelopment, since, if the land were sold, the proceeds received from the sale thereof plus the capital grants paid would be used to repay the temporary loans. The long-term loans must be repaid in not to exceed 40 years.

3. *Capital grants.*—Amount: The act authorizes \$500,000,000 for capital grants for slum-clearance and redevelopment projects, becoming available at the rate of \$100,000,000 per year for 5 years. The President has authority to increase the amount authorized in any one year by \$100,000,000, but the \$500,000,000 total remains the same.

Federal capital grants are available for assisting local public agencies to finance the "net project cost"—the difference between necessary costs of acquiring, clearing, and making slum land available for new uses consistent with sound planning and good living standards and the capital proceeds received from the sale or lease of land when it is disposed of. Cities obtaining Federal capital grants must pay at least one-third of the total net project cost of all projects undertaken with Federal assistance, either in cash or in certain donations of land, improvements, and services that can be substituted by the city for cash. Federal grants may be obtained for paying the balance.

Not more than 10 percent of the funds authorized for either Federal loans or Federal grants can be expended in any one State.

Rate of interest: Advances of funds and temporary and long-term loans bear interest at not less than the "going Federal rate" defined as the annual rate of interest specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more. Currently, the going Federal rate is 2½ percent a year.

#### *What the community must do*

Slum clearance and redevelopment projects must be local undertakings, locally planned, approved, and managed, and designed to serve local needs.

To qualify for Federal assistance, there are certain statutory requirements which the community must meet, among which are:

1. A local public agency established under State law and fully authorized to undertake the project.

2. A detailed plan, approved by the governing body of the locality in which the project is situated, for the redevelopment of the project area which conforms to the general plan for the development of the locality.

3. A general plan for the development of the locality as a whole.

4. Findings by the local governing body that the Federal assistance is necessary to enable the project area to be redeveloped in accordance with the locally approved plan.

5. Maximum opportunity, consistent with the sound needs of the locality, for the redevelopment of the project areas by private enterprise.

6. A public hearing, prior to the acquisition of the land, after notice of the date, time, place, and purpose of such hearing.

7. Ability to furnish the required amount of local grants-in-aid.

8. A feasible method for the temporary relocation of families displaced from the project area.

9. Assurance that there is or will be permanent housing at rents or prices within the financial means of the families displaced from the project area equal to the number of and available to such displaced families, and in areas not generally less desirable in regard to public utilities and facilities and reasonably accessible to their places of employment.

### *Rehousing the people*

Families living in an area to be cleared must be assured both of temporary housing during the clearance period and of permanent housing after it is completed. Some may be rehoused in the rebuilt area, though others may be permanently housed elsewhere, either because they prefer to live elsewhere or they cannot be accommodated in the area under its new uses. The city, however, must assure that decent, safe, and sanitary permanent housing within the financial means of such families exists or is being provided in time to meet the need. Private housing may be available for this purpose. Also, the community, if authorized by State public housing laws, may obtain Federal aid under title III of the act to provide public housing for low-income families displaced from slum clearance projects. Under the Housing Act of 1949, such families have first preference in public housing projects assisted under the United States Housing Act of 1937, as amended.

The act also provides that demolition of housing in project areas may not begin before July 1, 1951, if the local governing body finds that such demolition would result in undue housing hardship in the community.

### *What happens after the area is cleared*

After the area has been acquired, cleared, and prepared for redevelopment, the land may be sold, leased, or transferred for uses consistent with approved redevelopment plans; such as housing, industrial, business, or commercial use, parks, schools, public housing projects. When the area is disposed of at its new-use value, the temporary loans will be repaid from the proceeds of sale received plus the Federal capital grants and the local grants-in-aid, together with the proceeds of permanent loans made to cover any long-term leases of land in the project area.



## READY FOR PARTICIPATION

Before a community can participate in the benefits of the slum-clearance program under title I, it must have a duly authorized local agency with the necessary powers under State or local law to carry out the functions and fulfill the obligations of a slum clearance and redevelopment program as provided for under the Housing Act of 1949.

Twenty-seven States, plus the District of Columbia, Hawaii, and Puerto Rico, do have some type of specific slum clearance and urban redevelopment enabling legislation. However, existing laws, such as public housing legislation, in some of the remaining 21 States, may also confer part or all of the necessary authority on local communities to participate in the title I program. Full information on these existing laws is not yet available. Furthermore, local communities in States having enabling legislation may still have to take some type of local action, in addition to that required by the Federal act, to complete their authority to initiate a slum-clearance program.

*States*

The 30 political jurisdictions that have some type of specific slum-clearance and urban-redevelopment enabling legislation are:

Arkansas	Kansas	New York
California	Kentucky	Ohio
Colorado	Louisiana	Oregon
Connecticut	Maryland	Pennsylvania
District of Columbia	Massachusetts	Puerto Rico
Florida	Michigan	Rhode Island
Georgia	Minnesota	South Carolina
Hawaii	Missouri	Tennessee
Illinois	New Hampshire	Virginia
Indiana	New Jersey	Wisconsin

However, in three of these States—Indiana, Missouri, and New York—the slum-clearance laws themselves do not specifically authorize borrowing of Federal funds or acceptance of Federal grants, and Kansas and Kentucky slum-clearance laws authorize redevelopment by private corporations only. The remaining 25 jurisdictions specifically permit participation in the title I program, with 8 authorizing development by specially created local redevelopment agencies, 4 authorizing the cities to undertake it directly, and 13 designating local housing authorities as their redevelopment agencies. Adjustments of an administrative nature and in some cases possibly further legislative action may be necessary in some of these States to conform State authorizations to specific Federal requirements as contained in the Housing Act of 1949.

*Cities*

On the basis of recent information available to the Housing and Home Finance Agency, several cities have redevelopment plans and projects ready to go and should be in a position to apply, if they so desire, for Federal loans and grants within the coming year. They include Baltimore, Chicago, Detroit, Milwaukee, Norfolk, Philadelphia, Providence, and Miami.

About 70 cities have made considerable progress with redevelopment planning and are apparently at the stage where they could qualify for advances to get started on planning for specific clearance

projects. These cities include Los Angeles, San Francisco, Pontiac, Little Rock, Ark., Augusta and Columbus, Ga., and Duluth, Minn.

While the above information on readiness of cities to participate in the Federal loan and grant program is the best currently available, it is not comprehensive, and should be used in connection with more detailed and current local information. The actual decision to participate, however, is a local matter, and requires official local action.

#### HOW A SLUM-CLEARANCE AND REDEVELOPMENT PROGRAM WORKS

Following is a hypothetical example of a slum-clearance and redevelopment program as it might operate under title I. Figures used are not to be taken literally since they do not represent costs of any actual project, but are given for illustrative purposes only.

Suppose Central City decides it wants to get rid of an undesirable slum area but is unable to finance the undertaking without Federal assistance. Since the Housing Act of 1949 states that loans and grants will be made to a local public agency which is authorized to carry on slum-clearance work (this may be a public housing authority, a special redevelopment agency, or a department of the city government), Central City has chosen to create a redevelopment agency as authorized by the urban redevelopment laws of its State.

In addition, Central City meets Federal loan and grant assistance requirements by having a general city plan for the development of the locality as a whole. It has positive programs to modernize building codes and related regulations and to improve and modernize land use, health, sanitary, and safety codes and regulations for halting or preventing further growth of slums. It has taken steps to encourage the reduction of housing costs through modernization of its building code. In short, Central City and its redevelopment agency mean business—slum-clearance business. What the community needs at this time is an advance of funds of about \$20,000 to finance surveys of its slum area and the preparation of a specific project. On the basis of the agency's application for these funds meeting with Federal approval it receives a \$20,000 advance, to be repaid when a project is approved and aided by Federal loans and grants.

Some months later the agency is ready for a temporary loan to carry out a specific project. By now it can show in black-and-white estimates of how much money it needs to undertake the project, including a complete break-down of costs and anticipated returns. It has definite plans both for the work to be done in the project and for its future development; it has official city approval of the project; and it has a plan for rehousing families that will be displaced by clearance operations. In addition, Central City has agreed to contribute about \$350,000 in donations of land, services, such as demolition work, and such site improvements as streets and utilities, and other public improvements that will serve the project—schools, playgrounds, etc.

The agency estimates that the project will call for \$1,650,000, in addition to the \$350,000 in local contributions, to acquire, clear, and prepare the project area for redevelopment. The agency's application is approved by the Federal Government and it enters into a contract to receive a Federal loan to finance the project expenditures to be made by the agency, and a commitment for a Federal grant to



meet up to two-thirds of the loss the agency incurs when the cleared land is sold or leased for redevelopment.

The slum area is bought, cleared, and readied for redevelopment by the agency. The gross cost, including the \$20,000 advance for planning, the \$350,000 contributed by Central City in land, services, and improvements, and the \$1,650,000 spent by the redevelopment agency, total \$2,020,000. The land in the area is sold for \$820,000, leaving the project \$1,200,000 in the red.

Toward this loss the city can count on \$800,000 from the Federal Government in the form of capital grants, since the contract with the redevelopment agency states that the Government will meet up to two-thirds of the deficit incurred by an agency in buying, clearing, and preparing slum lands and disposing of them for redevelopment. The \$400,000 balance must be made up by Central City. However, the \$350,000 that Central City has already contributed in land, services, and improvements for the project are applied against the balance, so that the city needs to pay \$50,000 in cash.

If the agency has decided to lease rather than sell certain portions of the cleared land in the project, it could have refinanced the leased portions at their reuse value, with a Federal loan that could run as long as 40 years, bearing interest at the going Federal rate. The amount of this loan would have appeared in the proceeds just as though the land had been sold.

### TITLE III

#### LOW-RENT PUBLIC HOUSING

The low-rent public housing program enables communities to provide adequate housing for low income families who otherwise would have to live in substandard housing. It is a local program, operated with Federal financial assistance.

The program is not new. It was begun by the United States Housing Act of 1937 which authorized Federal aid to communities to house—

families \* \* \* in the lowest income group \* \* \* who cannot afford to pay enough to cause private enterprise \* \* \* to build an adequate supply of decent, safe, and sanitary dwellings for their use.

Under the 1937 act, a total of 191,700 simple but adequate homes have been provided in 268 localities renting at rates within the means of low-income families. The public housing portion of the Housing Act of 1949 amends the 1937 act to authorize financial assistance for the construction and operation of 810,000 additional low-rent dwellings in a 6-year program.

#### THE PROBLEM AND THE SOLUTION

The problem which gives rise to this program is a familiar one. Families in the lowest income group cannot afford either to buy or rent good standard housing. They are obliged to live in substandard or slum housing because that is the only kind they can afford. The problem, then, is to make good housing available to them at prices they can pay.

This is how public housing solves the problem. Local housing authorities plan and build low-rent housing projects which they finance

with the assistance of loans from the Federal Government. When the projects are built, the dwellings are rented to low-income families at rents scaled to what the individual family can pay. Since the rental revenue from the project is not enough to cover the cost of building and operating the housing, a deficit results.

The Federal Government makes up this cash deficit with a subsidy paid each year in the amount needed for that year. This Federal payment is known as the annual contribution. The local government also contributes to achieving low rents through exempting the projects from all taxation.

#### WHAT THE LOCALITY DOES

How the program works may be seen by following the steps in the development and operation of a typical project.

Low-rent housing can be developed in any State where the State legislature has authorized the establishment of local housing authorities for this purpose. Forty-two States now have such laws in effect, as well as the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Under most of these laws, local housing authorities are set up by the city government and members are appointed by the mayors.

There are now 472 active local housing authorities with past experience in public housing programs administered by the Federal Government. These authorities serve 582 localities. Sixty-three percent of these places have populations of less than 25,000 and 86 percent of them have populations below 100,000.

Several hundred additional authorities have been created but have had no experience in operating public housing. Others will be created to participate in the newly expanded program, including authorities established to serve rural nonfarm areas.

These local authorities construct their low-rent projects under contract with private builders, own the projects, and operate them with their own management staffs.

The Federal function is restricted to making capital loans, paying the annual contributions and reviewing local actions for conformity with law. These Federal responsibilities are handled by the Public Housing Administration, a constituent of the Housing and Home Finance Agency.

The local housing authority must determine the need in its locality for low-rent public housing. After it has demonstrated that there is a need for low-rent housing not being met by private enterprise, the PHA will make a small preliminary loan to cover the cost of planning a proposed project. The local governing body must approve the application for this loan.

The authority then selects a site, has it appraised, selects architects and engineers to prepare plans, and makes estimates of the cost of building and operating the project. It also enters into a cooperation agreement with its local government providing for tax exemption for the project, payments in lieu of taxes and, where required, the elimination of substandard dwellings in the locality.

The cost of the project is limited by law. It must not be of elaborate or extravagant design or materials and economy must be promoted in construction and administration. The cost of building and equipping the dwellings must not exceed \$1,750 per room, excluding the cost of



land and nondwelling facilities. If there is an acute need for low-rent housing in a locality and it cannot be built within this limit except by sacrificing sound standards, up to \$750 more per room may be allowed.

#### FINANCING THE PROJECT

Capital costs of the project during the first development period will be covered by temporary loans. These loans are generally obtained through sale of the local authority's temporary loan notes to private investors. Because PHA obligates itself to lend enough to cover the principal and interest on these notes when they mature, if necessary, the notes have excellent security and are now being sold at interest rates averaging substantially less than 1 percent per year. All temporary loan notes are retired as soon as the project is permanently financed.

When the project is far enough along so that its cost can be figured accurately, the local authority proceeds to permanent financing by sale of long-term serial bonds. These are secured by the Federal Government's pledge to pay annual contributions. It is expected that substantially all of the permanent bonds can be sold to private investors at favorable interest rates. Under present market conditions, interest rates of  $1\frac{1}{2}$  to  $1\frac{3}{4}$  percent should be obtained for this long-term financing.

The amount of the maximum contribution which may be paid annually is limited to a percentage of the development cost of the project. This percentage is fixed at a rate equal to the cost of long-term money to the Federal Government (going Federal rate) plus 2 percent. Under present conditions, the maximum contribution rate would be  $4\frac{1}{2}$  percent of the development cost.

The maturities of the bonds are so arranged that the debt service will be the same amount each year. In order to pay off the cost of the project as quickly as possible—and thus end the Federal contributions—this level debt service is arranged so as to substantially equal the maximum contributions available as security for the bonds.

Thus, under present conditions, the debt service per year would be set at just under  $4\frac{1}{2}$  percent of the capital cost. If the bonds were sold at interest rates averaging 1 percent, the project cost could be amortized in 29 years. If interest rates were lower, the cost could be amortized even more rapidly.

When the amortization is completed, the local authority can continue to operate the project at low rents without further Federal assistance.

#### LOAN FUNDS AUTHORIZED

The law authorizes PHA to make loans amounting to \$1,500,000,000. The authorization will be used to make the preliminary loans for project-planning purposes, to secure the temporary notes sold by local authorities to investors, and to make permanent loans for any part of the permanent financing not covered by sale of bonds to investors.

#### SELECTING TENANTS

Local authorities will begin taking applications for admission to the project before the project is completed. The applications will be

carefully reviewed to determine the eligibility of the applicants and to administer the preferences prescribed by law.

To be eligible for admission, a family must be low income, with an income not in excess of the maximum set locally. Except for veterans, the family must come from slum housing, or be displaced by a slum-clearance project or another public-housing project, or actually be without housing through no fault of its own. Among eligible families, preference for initial occupancy is given first to families displaced from cleared areas, and second, to other low-income families, with veterans of World War I and II given first preference in each of these two groups.

#### OCCUPANCY BY LOW-INCOME FAMILIES ONLY

There are several provisions in the law to insure that only low-income families who cannot afford adequate privately owned housing are allowed to occupy low-rent housing. The principal ones are—

1. The top rent for admission must be at least 20 percent below the rents at which private enterprise is providing a substantial supply of available standard housing, either new or old.

2. The net income of families at admission (less a \$100 exemption for each minor member) cannot exceed five times the annual rent to be charged, including utilities.

3. Local authorities must set maximum income limits, both for admission to the project and for continued residence in it. These limits are subject to PHA approval.

4. The authority must make a written report to PHA showing that incomes of families admitted are within the limit.

5. The authority must reexamine the incomes of all tenant families periodically to adjust rents if necessary and to evict those families whose incomes have risen above the limit.

The maximum income limits for admission are set by the authority after a careful study of local needs. Factors considered include the incomes of families forced to live in slum housing, the lowest incomes earned by regularly employed workers and income levels permitted by relief agencies for their clients. Maximum income limits for continued occupancy are generally set 20 to 25 percent above the admission limits to allow some increase in family income without necessitating eviction.

In existing low-rent projects, the maximum income limits for admission of average-sized families average \$1,947. In the first half of 1948, the average actual income of families admitted was only \$1,481.

#### SETTING THE RENTS

Three major factors enter into consideration of setting the rents to be charged. They are the level of rents required to serve low-income families from the slums, the cost of operating and paying for the project and the amount of contributions available from the Federal Government and the local government to reduce rents.

Families living in low-rent housing must pay all that they reasonably can in relation to their incomes. But they must not be required to pay more than a reasonable proportion of their incomes for rent because their meager resources are already strained to provide food, clothing, and other necessities of life.



The rent to be charged a given family, therefore, is based on its income and not on the size of the dwelling it requires. Each family is required to pay not less than 20 percent of its income for rent, including utilities. In order to aid large families, a deduction from net family income of \$100 is allowed for each minor dependent.

It is estimated that the shelter rents needed to serve low-income families will average about \$23 a month. Utilities will cost another \$7. This level of rents would require the use of only 75 to 80 percent of the maximum Federal subsidy. In bad times, when the rent-paying ability of low-income families will fall, rents could be reduced further by using the full available subsidy.

#### OPERATING AND MANAGEMENT COSTS

Low-rent projects are operated by full-time staffs employed by the local authority. Every possible attention is given to operating economy. Projects are planned and equipment selected with an eye to cutting maintenance costs. Utilities are purchased at wholesale rates. The cost of repairs, maintenance, and replacement is kept down by encouraging tenant cooperation and requiring tenants to do such things as caring for the grounds, interior painting, and minor repairs.

It is estimated that the average over-all cost of operating and paying for a dwelling for a month will be:

Operating costs, including repairs, maintenance, and replacements.....	\$13.50
Heat and all other utilities.....	7.00
Payments in lieu of taxes (10 percent of \$23 shelter rent).....	2.30
Debt service (amortization in 29 years, 1½ percent interest).....	31.69
Total monthly cost.....	54.49

#### THE FEDERAL CONTRIBUTION

As explained earlier, the maximum Federal contribution which can be paid in any year is equal to a percentage of the capital cost of the project. This percentage, under contracts entered into at present rates, would be 4½ percent. On a project costing \$8,450 per dwelling (the maximum possible average cost if the full contribution and construction authorizations are used), the maximum Federal contribution would thus be \$31.69 per dwelling per month.

Although less than the maximum contribution will be required for most projects in most years, the contracts with local authorities permit payment of the maximum if needed so that rents may be kept within the means of low-income families even in bad times and to provide maximum security for the local authority bonds.

On the basis of the expected average operating costs and rents, however, the average actual Federal contributions are estimated as follows:

Operating cost, including utilities and debt service.....	\$54.49
Less amounts paid by tenants:	
Shelter rent.....	\$23.00
Utilities.....	7.00
	<hr/> 30.00

Actual average Federal contribution, per month.....	24.49
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This is an estimate of average Federal contributions over the full period during which they will be paid. In good years, the rent-paying ability of low-income families is increased and less than this amount

will be required. In bad years, higher amounts, perhaps running up to the full amount contracted for, would be required.

The estimated actual amount of \$24.49 is only 77.3 percent of the possible average maximum of \$31.69 per month.

The Federal contributions may be paid for as long as 40 years. The anticipated interest rates for permanent financing, however, will permit amortization in less time. If actual interest rates average 1% percent, amortization can be completed in 29 years. If the average interest rates are somewhat lower, amortization can be completed in a shorter time. Federal contributions end when amortization is completed, so they probably will be limited to substantially less than 40 years.

#### THE LOCAL CONTRIBUTION

The locality is required to make a contribution to keeping rents low in the form of exemption from all real and personal property taxes. All 42 of the State low-rent housing laws now provide for this. In the event that any State does not provide tax exemption for low-rent projects, however, the local contribution may be in cash in amounts equal to 20 percent of the Federal contribution.

So that public housing projects shall bear a share of the cost of such municipal services as schools and streets, the law permits local authorities to make payments in lieu of taxes up to 10 percent of the shelter rents charged in the projects.

It is expected that the contributions made by the localities through full tax exemption less in-lieu payments will average about 50 percent of the actual Federal contributions over the life of the project.

#### ELIMINATING SLUM DWELLINGS

Since public low-rent housing is intended to help raise the standards of housing in the community, the law makes provision for elimination of substandard dwellings in connection with public housing projects.

Where a public housing project is built on a slum site, this is accomplished when the site is cleared. Otherwise, in urban areas, unsafe or insanitary dwellings must be eliminated substantially equal in number to the number of new dwellings provided by the project. This must be done within 5 years after the project is completed, unless deferred because of an acute shortage of housing for low-income families in the locality.

#### QUESTIONS AND ANSWERS

##### *1. Why is public housing necessary?*

Food, clothing, and shelter are the essentials of life. Most American families—even those well down on the income scale—can obtain enough good food and decent clothing to sustain life and health.

With shelter, it's different. Although most Americans can meet their housing needs without help, families at the bottom of the scale can't afford to buy or rent good homes. They can take care of their food and clothing needs. But good housing is beyond their reach. Economic necessity sends them to live in the slums. Slum housing is neither decent, safe, nor sanitary. It is a hazard to its occupants and to the community.



Public housing uses a subsidy to put decent, safe, and sanitary housing within the reach of these low-income families from the slums. It is the only method yet devised for providing good housing to rent at prices that families in the lowest income groups can afford.

*2. What's new about this program?*

The size, but not the idea. The Federal Government has been helping localities to build and operate low-rent public housing since 1937. The United States Housing Act of 1937 provided capital loans to get such housing built and annual contributions (subsidies) to keep rents low. A total of 191,700 dwelling units in 268 localities are being operated under that program.

The Housing Act of 1949 simply extends this program by amendments to the 1937 act. It raises available loan funds to \$1,500,000,000, and authorizes as much as \$308,000,000 to be spent for subsidy each year for 40 years. With these aids, an additional 810,000 public housing units may be put under construction in the next 6 years.

*3. Are there any differences, other than size, between the old program and the new?*

Yes; there are several. Most of them are refinements drawn from the 12 years' experience that has gone before. Some merely write into law policies and practices already in effect.

For instance: The new law requires that a substantial gap be left between the bottom of the market served by private housing and the top of the market served by public housing. It also requires local housing authorities to set dollar income limits for tenants to make sure that only low-income families are housed in the projects. Both of these things have been done by administrative practice for years. Now they are a matter of law.

One important change is in the statutory limit on how much public housing can cost. Under the 1937 act, the cost to build and equip public housing could be no more than \$1,000 a room, or \$1,250 in cities of more than half a million population. That was reasonable 12 years ago. But fireproof, apartment-type projects can't be built for that today. So the 1949 act sets the maximum cost at \$1,750 per room. An extra \$750 may be allowed in some high-cost areas. That brings the law into line with today's construction costs.

The original act also contained a per-dwelling-cost limit. The new limit is on a per room basis only. This change was made to permit construction of larger units for big families. Many low-income families are larger than average.

Big families get another break in the new law. When their incomes are examined to see if they are eligible for public housing, they are allowed a \$100 exemption for each child. This consideration recognizes that it costs big families more to live than small families.

There are also a number of technical changes designed to make securities issued by local housing authorities more attractive to private investors. This will result in lower interest rates and, in the end, save the Government money.

*4. Who can get these loans and subsidies?*

They go only to local housing authorities. These are local public bodies established under State statutes. Forty-two States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Is-

lands already have the necessary laws authorizing creation of such authorities. Nearly 500 authorities now exist and have experience with public housing programs. The only States which have not yet adopted such laws are Iowa, Kansas, Utah, Wyoming, Oklahoma, and South Dakota.

*5. How does a local authority get into the program?*

When a local housing authority finds there is a need in its locality for low-rent housing for low-income families that is not being met by private housing, it may make an application to the Public Housing Administration for a "program reservation." This application must be accompanied by pertinent data proving the existence and extent of the need for public housing. The program reservation merely sets aside a certain number of units for the community from the quota available for allocation at the time.

Then the authority may get a small preliminary loan to pay for planning its project. The city council must approve the local authority's application for this loan.

When the project is planned and approved, PHA will contract with the authority for the necessary loans and agree to pay the annual contributions required to keep rents low. This contract for assistance will be conditioned, of course, on the authority's agreement to house only low-income families, to maintain the gap between public housing and private housing, to stay within the cost limits and otherwise abide by the purposes and requirements of the program. With these contracts and agreements made, the local authority can go ahead with building the project and putting it into operation.

*6. How fast will the program move?*

The law permits PHA to authorize construction of 135,000 units a year for 6 years. The President can step up the rate to 200,000 units a year or slow it down to 50,000 units a year if economic conditions warrant. Much will depend, of course, on how quickly the localities undertake their programs, complete plans, acquire sites, and get construction under way. It is expected that about 50,000 units will get under construction in the next 12 months.

*7. Who lives in public housing?*

Only low-income families are eligible to be admitted and to live in low-rent public housing projects. Each locality will establish income limits for admission and continued occupancy to make sure that tenant families fall within the low-income group. Other factors also figure in determining eligibility. These include requirements of citizenship, residence in substandard housing, and preferences for veterans and persons displaced by public slum clearance and urban redevelopment projects.

*8. Will public housing compete with private housing?*

Not with standard housing—just with slum housing. The system of income limits and the gap between public and private housing insure that public housing will serve only those families who cannot afford the cheapest of the adequate housing provided by private enterprise. Since the tenants of public housing will be families who can't afford standard housing, they are not part of the market that private housing serves.



*9. What does private business get out of the program?*

All construction is done by private contractors who get the work by competitive bidding. This means business for private architects, engineers, materials manufacturers, and suppliers, too. Since the project will be financed in large part by private borrowings, this means business for bankers and investors. Other business in the community stands to gain because the tenants of public housing, paying rents commensurate with their incomes, will have enough money left over for such essentials as food and clothing.

*10. Is public housing "low cost" housing?*

It is "low cost" to the tenant. That is why "low-rent housing" is a more precise name for it.

Every possible economy consistent with minimum standards, long life, and low upkeep is made in building and operating the projects. But public housing has no magic formula for cutting costs. The costs of building public housing are the costs of private construction. The projects are built by private contractors, paying prevailing wages and using materials bought in the same way as though the job were being done for a private owner.

In the prewar program, the average total cost was \$4,649 a dwelling. This compares favorably with the costs of comparable housing built for private owners. If the full authorizations in the new program are used, the maximum cost per unit would average \$8,450.

*11. Will public housing clear slums?*

In urban areas, the law requires that substantially the same number of slum dwellings be eliminated as the number of public-housing units built in the locality. This may be done by demolishing, closing, or rehabilitating existing substandard housing within 5 years after the public-housing project is completed. The slum elimination may be deferred in places where there is an acute shortage of adequate housing for low-income families and is not required if a public-housing project is built on a slum site cleared since the Housing Act of 1949 was enacted.

Title I of the Housing Act of 1949—the slum clearance and urban redevelopment program—establishes a broader attack on the slums. Public housing is closely related to urban redevelopment and essential to it because slums cannot be cleared unless other housing is available for the people who live in them. For the most part, these are families in the lowest income group who can be adequately housed only through public housing.

*12. How much will the program cost?*

The \$1,500,000,000 in loan funds for the public-housing program is not an out-of-pocket cost. All loans will be repaid in full, with interest. The only out-of-pocket cost to the Federal Government is for annual contributions. These may go no higher than \$308,000,000 a year for 40 years, a total of \$12,320,000,000. However, the subsidy is paid only to the extent needed each year. In the past, the public-housing program has actually used only 58.5 percent of the maximum subsidy available. For the new program, it is estimated that the actual expenditure for subsidies over the full span of the program will amount to between \$7,000,000,000 and \$8,000,000,000.

## TITLE IV

### HOUSING RESEARCH

#### THE PROBLEM

For many years the chief obstacle to housing progress has been the rising cost of housing in relation to the purchasing power of most home seekers. The problem of housing costs is complex and difficult, and has resisted the effect of most of the advances toward larger production and lower unit costs that have generally characterized the rest of our modern economy.

Almost everyone in the Nation has a stake in an expanding housing market. First and most obvious is the consumer, seeking to better his housing within his financial means. Then there is the housing industry. Production and marketing of housing for rent and sale is one of our basic industries. A sustained large volume of housing production at moderate prices would not only provide an answer to the problem of a decent home for more of our families, but would also help to stabilize the entire economy. Workers would be assured of steadier work at good wages more weeks in the year, contractors a continuing market instead of past ups and downs, materials producers a stable market for their products, and mortgage lenders a protection against the wild fluctuations of past housing booms and breaks.

The rise in the cost of housing in relation to the ability of most people to pay underlies the entire housing problem. This disparity has been recognized throughout congressional studies and hearings on housing and has become particularly pronounced since the war.

The Joint Congressional Committee on Housing in its report on March 15, 1948, said:

This long-continued rise in costs reflects a lag in the productivity of our housing industry which makes it compare unfavorably with most other industries. \* \* \* In a relative sense our residential building technology has fallen behind. A vicious circle is created by this lag, in which the high costs resulting from an obsolescent technology make it harder and harder to give the public as much for its money in housing as in other commodities. \* \* \*

The committee in recommending a federally coordinated program of housing research further said:

The progressive reduction of housing costs and expansion of the private housing market appear to lie in a coordinated program of technical research. \* \* \* Private industry cannot be expected to organize or carry out the comprehensive program of technical housing research that is needed, although many parts of what industry can and is doing in the general field can be fitted into such a program.

These statements, in brief, give the analysis of the housing cost problem on which the housing research program authorized in the Housing Act of 1949 is based. The act specifically includes in its statement of policy the following as national housing objectives:

1. The production of housing of sound standards of design, construction, livability, and size for adequate family life.
2. The reduction of the costs of housing without sacrifice of such sound standards.
3. The use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance.



4. The development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities.
5. The stabilization of the housing industry at a high annual volume residential construction.

#### THE NEW APPROACH

Title IV of the Housing Act of 1949 authorizes for the first time a comprehensive and coordinated housing research program. It directs the Housing and Home Finance Administrator to carry out a program of research and studies concerned with housing economics and other housing market data and with the development, demonstration, and promotion of the acceptance and application of new and improved building materials, methods, and techniques, directed toward increased and sustained production and lower costs.

#### SCOPE OF THE RESEARCH PROGRAM

The act authorizes economic and technical research in the housing field on a broad front. The scope of the program contemplated by the act is indicated by the following fields of investigation and research that it specifically points out as being of appropriate concern:

- Improved and standardized building codes and regulations and their more uniform administration.

- Standardized dimensions and methods for the assembly of home-building materials and equipment.

- Improved residential design and construction.

- New and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction.

- Sound techniques for the testing of materials and types of construction and for the determination of adequate performance standards.

- Appraisal, credit, and other housing market data.

- Housing needs, demand and supply, finance and investment.

- Land costs, use and improvement, site planning and utilities.

- Zoning and other laws, codes, and regulations as they apply to housing.

#### HOW THE RESEARCH PROGRAM WILL BE CARRIED OUT

The act augments the Housing and Home Finance Administrator's existing administrative authority to enable him to carry out the broad research program authorized by the Housing Act of 1949.

Title IV provides that the HHFA Administrator shall make use as far as feasible of existing facilities of the Federal Government adapted to technical research. It also requires the Administrator to consult with and make recommendations to other Federal agencies engaged in the collection of housing data with respect to action necessary or desirable to overcome existing gaps and deficiencies in such data or in available collection facilities.

The act authorizes the Administrator to enter into contracts on a negotiated basis (that is, without advertising for bids) with public, educational, and other nonprofit organizations for carrying out projects under the Housing and Home Finance research program with

Federal funds through their laboratories and technical facilities. Such contracts may extend for periods up to 4 years.

The Administrator is also authorized to undertake studies and research cooperatively with industry and labor, State and local governments, and educational institutions, and other nonprofit organizations.

While much of the research and study authorized will be carried out by the Administrator through the Agency's own staff and facilities, for projects requiring such special facilities as laboratories, the Housing and Home Finance Agency will, to the extent feasible, utilize facilities already available, such as those operated by the Federal Government or by State universities or various nonprofit foundations or institutions that are suitable for technical research and testing work in the housing field.

The Housing and Home Finance Agency will also seek to serve as a central coordinating point for research that is already being done and to fill in the gaps with studies and projects which it undertakes. It will make use of existing techniques wherever possible. For example, data collected for mortgage insurance purposes by the Federal Housing Administration on typical costs of building materials can be valuable in analyzing housing costs; techniques and methods developed for many years by the Bureau of the Census in their population and family income surveys can be profitably employed in housing market analyses for developing local housing market analysis.

The Administrator is also directed to disseminate the results of research and studies in such form as may be most useful to the industry and general public, and information developed under the Government's research contracts is to be made available to the public through dedication, assignment to the Government, or other means.

#### OTHER FUNCTIONS AUTHORIZED

In addition to the direction to undertake and conduct a program of research and studies, the title provides:

1. The Housing and Home Finance Administrator shall submit to the President and to the Congress national estimates of urban and rural nonfarm housing needs and report on progress being made toward meeting them, and to correlate and recommend proposals for Executive action or legislation to further the objective and policy established by the Housing Act of 1949. (A similar requirement is made of the Secretary of Agriculture with respect to farm housing in title V.)

2. He shall encourage localities to make studies of their own housing needs and markets and surveys and plans for housing, urban land use, and related community development, and, where requested, to assist them with technical advice and guidance.

#### OPERATION OF THE PROGRAM

The act provides that the Administrator of the Housing and Home Finance Agency shall appoint a Director to have charge of the housing-research program under the Administrator's direction and supervision. The Director will have such policy, programing, and operating staff as the operations require. In addition, under authority contained in



title VI of the act, advisory committees may be named, as needed, from representatives of industry, labor, finance, consumer, and Government groups, as well as such professional groups as architects. Experts on special subjects and problems in the technical and economic field will be called in as consultants when their assistance is needed.

#### FIRST STEPS UNDER THE PROGRAM

The Housing Act of 1949 authorizes appropriations to carry out the program, and the extent of the initial year's program, as well as that of any succeeding year, will be determined by the Congress through the appropriations it makes available on the basis of recommendations submitted by the President and documented by the Agency.

Housing research, however, does not start entirely from "scratch." The Housing Act of 1948 directed the Housing and Home Finance Administrator to undertake and conduct technical research and studies with reference to the improvement and standardization of building codes and regulations and their administration, and standardized dimensions and methods for the assembly of housing materials and equipment (known as modular coordination). In addition, certain technical studies have been conducted incident to the regular operating and administrative needs of the Agency in past years.

The first year's operations under the program are expected to be generally of four kinds:

1. *Projects under way that are to be carried to completion.*—These include work already launched on building codes and standardized dimensions, including the development of an interim model code for construction on which considerable work has already been done, and longer-range work on establishing the foundation for a complete model code based on performance standards.

2. *Studies and research that can be started where past work or present knowledge has shown the need and the goal.*—Possible projects in this field include a needed study of the elements of housing costs to determine how they can be most effectively attacked to produce worthwhile results; practical demonstrations of new construction techniques or materials to determine their value for general use; and developing means for filling in the more vital "missing links" in housing information and data needed by both Government and industry to provide a sound basis for a high, continuing level of production at lower costs.

3. *Organization of the considerable body of existing knowledge and research that needs to be assembled, appraised, related, and disseminated for practical use.*

4. *A survey of existing housing research being carried on and an inventory of available research facilities.*—This is necessary to determine what are the most important gaps needed to be undertaken through the Federal Government.

Obviously, such a comprehensive program as the act calls for is a long-range undertaking. It cannot all be accomplished overnight—nor overweek or overyear. The research program would not be aimed at a single miracle solution that would scrap all known and used methods of homebuilding, but rather at progressive and cumulative results, large and small, that can be put to practical day-to-day use as they become available to lower housing costs and increase production.

## TITLE V

## FARM HOUSING

Q. 1. What does the legislation provide?

A. 1. It has six titles. Title V provides loans and grants and other assistance to improve farm housing and buildings. The other five titles deal with the improvement of urban housing.

Q. 2. How great is the need for rural housing?

A. 2. The most recent complete survey was prepared in 1945 by the Department of Agriculture Interbureau Committee on Postwar Programs and submitted to the Senate Special Committee on Postwar Economic Policy and Planning. Much of the information contained in it is based on 1940 census data which show the following selected characteristics:

Item	Percentage	
	Rural	Urban
Overcrowding (more than 1.5 persons per room).....	16	6
Having electric lighting.....	32	96
Having running water.....	18	94
Private flush toilet.....	11	83
Private bath.....	12	78

According to the census data about 2.5 to 3 million farm houses did not meet the Housing Act standard of "decent, safe, and sanitary" housing. The report goes on to say:

An important reason for inadequate farm housing has been the lack of sufficiently remunerative employment to pay for better structures. For the country as a whole it appears reasonable to assume that unless a family was able to produce at least \$1,500 gross farm income per year under 1939 conditions, it was not able to finance an acceptable dwelling from farm income.

One clue to the present need for farm housing is the fact that nearly 3,000,000 farm families grossed less than \$1,500 farm income by 1945 census data; and the number would be even greater if we converted the 1945 income to 1939 purchasing power. A second reason for the continued need for improved farm housing has been the inability to obtain materials, labor, or equipment for such construction during the war and immediate postwar years, so that existing bad housing has continued to deteriorate.

Q. 3. Has there been any improvement in rural housing since the 1940 census?

A. 3. Yes. Sample surveys made by the BAE in 1947 indicated that new houses were under construction on 240,000 of the Nation's 6,000,000 farms and 23 percent of the farmers interviewed reported some form of construction or repair to their dwellings. However, 67.3 percent of the rural farm dwellings still lacked running water, 80 percent lacked a bath and flush toilet, 40 percent lacked electric lights, and 10 percent were overcrowded.

Q. 4. Will this gradual improvement solve the problem?

A. 4. No. The figures do not show that construction is taking place on the farms of those who would be helped most by the housing legislation—those who are unable to obtain private financing.



Q. 5. Why was it necessary to deal with rural housing separately in the legislation?

A. 5. While assistance to families of low income in rural areas formerly was authorized under provisions of the United States Housing Act of 1937, the special and different problems of farm housing require special provisions. In the Housing Act of 1949 it is recognized that an intimate relationship exists between farm housing and the entire farm economy—that the farm house and buildings are really a part of the farm.

Q. 6. How is this done?

A. 6. By authorizing the Department of Agriculture rather than the Housing and Home Finance Agency to provide assistance to farm owners so that they may acquire adequate farm buildings. This makes possible an integrated farm program which provides adequate housing as part of the total farm economy.

Q. 7. What rural housing loans will the Department of Agriculture be able to provide under the act?

A. 7. Section 501 authorizes the Secretary to provide loans to farm owners (in the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands) to enable them to provide decent farm dwellings and buildings for themselves, their tenants, lessees, sharecroppers, or laborers.

Q. 8. May a tenant obtain this financial aid to erect needed housing on a farm which he is operating under lease?

A. 8. No. The financial aid provisions are applicable only to owners of farms but an owner may get a loan to improve buildings occupied by a tenant.

Q. 9. And may all farm owners participate in the provisions of this act?

A. 9. No. The law explicitly limits such financial assistance to those owners who are without sufficient resources to provide the necessary housing on their own account and who are unable to secure credit necessary for such housing from other sources on terms and conditions which they could reasonably expect to fill.

Q. 10. How large must a farm be to qualify an applicant for assistance?

A. 10. For the purpose of this title, a farm is considered to mean a parcel or parcels of land operated as a single unit for the production of one or more agricultural commodities for sale or home use which have an annual gross value equivalent to at least \$400 computed on 1944 commodity prices.

Q. 11. What loan limits are set up in the bill?

A. 11. There are no dollar limits specified in the act. A farmer who has income sufficient to support a high-cost house will be able to get his financing elsewhere.

Q. 12. What are the terms of such financial assistance?

A. 12. Section 502 authorizes loans for periods not in excess of 33 years, bearing interest at no more than 4 percent per year.

Q. 13. What security must be given to obtain such loans?

A. 13. The unpaid balance of the loan is secured by the owner's equity in his farm, and such additional security or collateral as may be necessary to reasonably assure repayment of the loan.

Q. 14. Does that mean that a borrower may take the entire 33 years to repay his loan?

A. 14. Not necessarily. The act provides that the borrower shall refinance his indebtedness through cooperative or private credit sources whenever he is able to do so.

Q. 15. Is a farmer eligible for assistance even though the present anticipated income from his farm and other sources would not repay the loan in the scheduled period?

A. 15. Under certain conditions this is possible. Section 503 provides for aid to farm owners over and above the long-term low-interest credit provided in section 502. If the farm enterprise is capable of being improved or enlarged or if farm practices can be adopted to bring the unit up to adequate level of production within a reasonable period of time (not to exceed 5 years) loan assistance provided under section 502 may be supplemented by annual contributions. All such contributions shall take the form of credits against the installments of interest and principal due for the period, and may be no larger than the total annual interest plus half the annual principal installment due. Such contributions shall be made only if the owner is unable to make the full amortized annual payment, and if he is pursuing the plan of farm reorganization with due diligence.

Q. 16. If the owner sells the farm before the repayment in full of the loan, what is the status of these "contributions" by the Department?

A. 16. This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary. The Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution of any lien given to the Secretary; or he may refuse to release the lien given the Secretary except on the payment of all original principal plus accrued interest if he determines that a release of the lien would benefit a person not eligible to receive such benefits.

Q. 17. Can loans be made for the purchase or development of land?

A. 17. Yes, when the land is needed to enlarge a farm or development such as clearing, draining, fencing, or terracing to enable the family to repay their housing loan.

Q. 18. Is there any assistance available to the owner whose unit is not now an economic unit, and which seems unlikely to permit suitable development within the 5-year maximum allowable period?

A. 18. Yes. Section 504 (a) provides for assistance in the form of special loans and grants to owner occupants for farm dwelling and building improvements in order to make his dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe.

Q. 19. For what purposes can such loans and grants be made?

A. 19. Loans and grants can be made to make roof repairs, provide toilet facilities, arrange for a sanitary water supply, provide structural supports, or make similar repairs.

Q. 20. How large may such loans and grants be?

A. 20. Such assistance is limited to a maximum of \$1,000 to any one person of which no more than \$500 may be in the form of grants.

Q. 21. Does the research sections of title IV include provisions for research in farm housing?



A. 21. A separate section (506) has been set up under title V to provide for farm research and technical services. This is to further permit the Secretary of Agriculture to have over-all supervision of the entire rural phases of this housing bill. Section 506 authorizes the Secretary to furnish, without charge, or at such charges as he may determine, technical services such as building plans, specifications, construction supervision and inspection, and any necessary advice or information on rural dwellings or other farm buildings.

Q. 22. Do veterans have preference for the services under this act?

A. 22. Yes; section 507 provides for preference to veterans and families of deceased servicemen. The title defines a veteran as one who served in the military or naval services during any war between the United States and any other nation, and received a discharge other than dishonorable. "Deceased servicemen" are defined as persons who died in service prior to the end of the war.

Q. 23. What use is made of county committees in administration of the act?

A. 23. The committees certify as to the eligibility of the applicants and the adequacy and reasonable value of the farms. The county committees already active in the Farmers Home Administration program will perform this service.

Q. 24. What further powers are given the Secretary under this act?

A. 24. The Secretary shall, within the limitations set up in the act itself, determine and prescribe the standards of adequate farm housing, individually and by localities. He shall take into consideration such factors as the best type of housing to provide decent, safe, and sanitary dwellings; the type and character of the farming operations; and the size and earning capacity of the land. Further, the Secretary may require the borrower to agree that any improvements so provided shall not be used as justification for increasing the cost of rent or otherwise changing terms of any lease he may have with tenant or sharecropper residing therein, to the disadvantage of the resident, without prior approval of the Secretary's office.

Q. 25. List the appropriations which may be made under this act.

A. 25. The Secretary may issue notes and other obligations for purchase by the Secretary of Treasury in such sums as Congress may, from time to time, determine to be used for making loans under this act. This sum shall not be in excess of \$25,000,000 on or after the 1st day of July 1949, an additional \$50,000,000 on or after July 1, 1950; an additional \$75,000,000 on or after the 1st day of July 1951, and an additional \$100,000,000 on or after July 1, 1952. In connection with loans made pursuant to section 503, the Secretary is authorized to make commitments for contributions not to exceed \$500,000 per annum for 5 years on or after July 1, 1949; and this amount shall be progressively increased on July 1, 1950, 1951, and 1952, to 1 million dollars, 1.5 million dollars, and 2 million dollars, respectively, or a total of \$25,000,000. Further, there is authorized to be appropriated sufficient funds to make payments on notes issued by the Secretary covering contributions made pursuant to section 503, and an additional amount for loans and grants made pursuant to section 504 which shall be no more than \$2,000,000, \$5,000,000, \$8,000,000, \$10,000,000, respectively, for the years 1949, 1950, 1951, and 1952; plus such further sums as may be necessary to carry out the provisions of this title.

Q. 26. Who will do the work under the proposed legislation?

A. 26. The bill authorizes the Secretary to extend financial assistance through the Farmers Home Administration. Economic research in farm housing is to be handled by BAE. Technical assistance and advice in farm housing will be provided by extension service. Technical research studies will be made by ARA.

Q. 27. How will Farmers Home Administration perform its functions under the act?

A. 27. The loan and grant program will be handled at the county level by Farmers Home Administration committees and Farmers Home Administration county supervisors. It will operate in conjunction with the regular loaning programs, and the staff at the county level will be increased only to the extent necessary to handle the increased work load. All present personnel in the county office would be used to handle loan making and servicing. In the 40 Farmers Home Administration State offices, additional construction engineers and farm appraisers would be added to provide such needed service on a State-wide basis, while in the national office a small staff of engineers and rural housing specialists would be formed. Additional employees in the four area finance offices would be necessary to handle the additional loan vouchers and accounting.

Q. 28. What protection is given the borrower against losing his farm if he cannot meet payments on the housing loan?

A. 28. If the farmer cannot meet his payments because of circumstances beyond his control, the Secretary may grant a moratorium for as long as necessary. In cases of extreme hardship, interest may be canceled under the moratorium.

Q. 29. When will provisions of the rural housing section of the act become effective?

A. 29. The financial and other services authorized in the rural housing section of the act will become available shortly after funds are appropriated. All applications for financial assistance will be filed at the county offices of the Farmers Home Administration.

## BRIEF SUMMARY OF THE HOUSING ACT OF 1949

### SHORT TITLE AND DECLARATION OF NATIONAL HOUSING POLICY

The short title of the act is the "Housing Act of 1949."

Section 2 of the act establishes national housing objectives and the policies to be followed in attaining them. The declaration states that—

the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation.

The act provides that private housing enterprise shall be encouraged to serve as large a part of the total need as it can; that local public bodies shall be encouraged to undertake positive programs to assist the development of well-planned residential neighborhoods, the development and redevelopment of communities, and the production at lower costs of housing of sound standards of design, construction,



livability, and size for adequate family life; and that governmental assistance shall be given to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to provide adequate housing needed for urban and rural nonfarm families of low incomes where such need is not being met through reliance solely upon private enterprise, and to provide decent, safe, and sanitary farm dwellings and related facilities where the farm owner demonstrates that he lacks sufficient resources and credit to provide such housing.

The act requires the Housing and Home Finance Agency, and any other departments or agencies of the Federal Government having functions with respect to housing, to exercise their functions consistently with these national housing objectives and policies and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

#### TITLE I—SLUM CLEARANCE AND COMMUNITY DEVELOPMENT AND REDEVELOPMENT

This title authorizes the Housing and Home Finance Administrator to make loans and grants to localities to assist locally initiated, locally planned, and locally managed slum-clearance and urban redevelopment undertakings. A local public agency would, after public hearing, acquire (through purchase or condemnation) a slum or blighted or deteriorating area selected in accordance with a general city plan for the development of the locality as a whole. The local public agency would then clear the land and make it available, by sale, or lease, for private or public redevelopment or development in accordance with a predetermined local redevelopment plan for the area.

The act authorizes \$1,000,000,000 in loans over a 5-year period. Advances of funds would be available to finance the planning of local projects, and temporary loans for the acquisition and clearance of land, and the preparation of the land for reuse; these loans would be repayable when the land is sold or leased for redevelopment. Long-term Federal loans would be available to refinance the portions of the sites which are leased and would be secured by the rentals from the leased land.

The act also authorizes \$500,000,000 in Federal capital grants over a 5-year period, in order to help meet the loss involved in connection with slum clearance operations. This loss would be shared on a 2 to 1 basis—the Federal Government making up two-thirds of the loss and the local government making up one-third. Thus the Federal capital grants may not exceed two-thirds of the losses on all clearance projects undertaken in any one locality. The local public agencies may provide their share either in cash or through the provision of parks or schools or other public facilities necessary to serve or support the new

uses of land in the project areas, the installation of streets, utilities, and other site improvements, or the use of municipal labor and equipment to clear a project area. While Federal loan assistance is available for projects involving open land, no capital grants may be made for such projects.

Federal assistance would be available to defray the costs of acquisition and clearance of slum areas and the preparation of the sites for redevelopment; none of the funds would be available for building construction on the cleared sites, except that, in connection with the development of open or predominantly open areas, provision is made for temporary loans (repayable in not to exceed 10 years) for schools or other public facilities necessary to serve or support the new uses of land in the area.

As a further condition to Federal aid there must be a feasible method for the temporary relocation of families displaced from the project area and the permanent provision of decent, safe, and sanitary dwellings at prices and rents within the financial means of such families. (First preference to such displaced families of low income is required in public housing projects provided under title III of the act.) The demolition of residential structures in connection with slum clearance projects is prohibited until July 1, 1951, if the local governing body determines that it would create undue housing hardship in the locality.

Not more than 10 percent of the funds provided for loans or grants may be expended in any one State.

#### TITLE II—AMENDMENTS TO NATIONAL HOUSING ACT

This title (pending further action by the Congress) provides for temporary extensions (through August 31, 1949) of FHA's title I and section 608 mortgage insurance operations; also for a \$500,000,000 increase in its title II insurance authorization. The extensions under title I relate to small loans for alteration and improvement and new construction and under section 608 to rental housing. The increase in insurance authorization applies to all types of housing under title II, owner-occupied, small and large scale rental and sale housing, including cooperative housing.

#### TITLE III—LOW-RENT PUBLIC HOUSING

This title amends the United States Housing Act of 1937 by authorizing Federal contributions and loans for local programs involving not to exceed 810,000 additional units of low-rent public housing over a 6-year period. The Public Housing Administration may authorize local authorities to commence construction of 135,000 units each year. The President, however, is authorized to accelerate the program to not more than 200,000 units per year or to retard the program to not less than 50,000 units per year, subject to the total authorization of 810,000 units, if he determines, after advice from the Council of Economic Advisers, that such action is in the public interest.

Federal annual contributions may not exceed the amounts which, with the required local tax exemption, are necessary to make up the difference between the rents which the low-income families can afford to pay and the annual costs incurred in the operation of the projects,



including interest and amortization of all capital borrowings. In no event may they exceed the aggregate annual contributions authorization, reaching a maximum rate of \$308,000,000 per year after the total program is in operation.

The act authorizes a total of \$1,500,000,000, available as a revolving fund, to be used for loans, primarily for construction advances or commitments pending permanent financing through sale of bonds on the private market.

The act reduces the maximum period for loans and annual contributions from 60 to 40 years and adjusts the basis for Federal contributions in accordance with the increased annual amortization requirements.

Provisions in this title strengthen the statutory safeguards to assure that occupancy of projects is limited to low-income families in need of adequate housing. As in the past, annual incomes of families on admission may not exceed five times the rent, including utilities, but the act recognizes the needs of larger families by exempting from income \$100 per year for each minor dependent. The title further requires local authorities (1) to establish upper rental limits for admission to projects at least 20 percent below the lowest rents at which private enterprise unaided by public subsidy is providing an adequate supply of decent housing in the respective localities, (2) to provide maximum income limits for admission and continued occupancy, (3) to require the removal of families found to be ineligible as the result of periodic reexaminations of tenant incomes, (4) not to discriminate against welfare cases, and (5) subject to specific preferences stated below, to give preference to families having the most urgent needs. In determining the eligibility of families for continued occupancy, the local housing authorities may exempt \$100 for each minor or any part of the income received by minor members of the families (since such income normally will be available to the tenant families only for a short period).

Families who are otherwise eligible and who are displaced or are about to be displaced by public slum clearance, redevelopment or low-rent housing projects will be given a first preference for admission to low-rent housing. Among such displaced families, veterans with service-connected disabilities have first preference, families of deceased veterans and servicemen whose death was service-connected have second preference, and other veterans or servicemen have a third preference. As among families who have not been displaced by slum clearance, preference shall be extended to veterans and servicemen and among such families of veterans with service-connected disabilities have first preference and families of deceased veterans and servicemen whose death was service-connected have second preference. These preferences are extended to veterans and servicemen of World War I and World War II.

The act fixes the limitation on the cost of construction and equipment of dwelling facilities to \$1,750 per room. An increase in this cost limitation of not more than \$750 per room is authorized in areas where it would not be feasible without such increase to construct sound housing. In no event may a project be undertaken which is of elaborate or extravagant design or materials.

The act repeals existing equivalent elimination requirements, but substitutes a requirement that no financial assistance (other than pre-



liminary loans) shall be made available for any low-rent housing project unless the governing body of the locality involved agrees that there will be eliminated within 5 years after completion of the project unsafe or insanitary dwellings substantially equal in number to the number of newly constructed dwelling units provided in the project. Under the old requirement only one unsafe or insanitary dwelling unit could be counted, even though it may have accommodated several families. But under the new formula, if more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated. The elimination requirement does not apply to rural nonfarm housing projects or to any public housing projects located on a slum site that has been cleared for urban redevelopment under title I of the Act. The Public Housing Administration may defer beyond 5 years the required elimination in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income.

#### TITLE IV—HOUSING RESEARCH

This title authorizes the Housing and Home Finance Administrator to undertake and conduct technical research and studies which will promote reduction in housing construction and maintenance costs and stimulate the increased production of housing.

The research may also be concerned with improved building codes; standardized dimensions and methods for the assembly of home-building materials and equipment; improved residential design and construction; new types of materials, equipment, and construction; and may relate to appraisal, credit, housing needs, demand and supply, land costs, use and improvement, and related technical and economic research. The Administrator shall also prepare estimates of national housing needs and encourage and assist localities to make studies of their own housing needs and markets and plans for housing and community development.

The Administrator shall utilize to the fullest extent feasible the available facilities of other Federal agencies and is authorized to undertake research and studies cooperatively with industry and labor and with State or local governments, educational institutions, and other nonprofit organizations.

#### TITLE V—FARM HOUSING

The Secretary of Agriculture is authorized to extend financial assistance to farm owners to enable them to construct, improve, or repair farm housing or other farm buildings as follows:

1. Loans up to 33 years at not to exceed 4 percent interest, to owners of self-sustaining farms who are otherwise unable to finance adequate housing or other needed building improvements for themselves or others working on the farms.

2. Similar loans, supplemented by annual contributions, to owners whose farms are not presently self-sustaining but which may be brought up to a self-sustaining level through a satisfactory program of enlargement, improvement, or adjusted farm practices. The subsidies, applied as a partial credit on interest and principal pay-



ments, could not be made available to an owner for more than 5 years and, in the aggregate, could not exceed \$5,000,000 annually after the third year of the program; lesser amounts would be authorized for the earlier years.

3. Loans and grants for minor improvements and minimum repairs to farm dwellings and buildings on farms which cannot be made self-sustaining. The amount available would be limited to \$1,000 for any one farm or dwelling or building owned by one individual, and the grant portion with respect to any one dwelling or building could not exceed \$500.

4. Loans to encourage adequate family-size farms where a farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings.

This title authorizes loans aggregating \$250,000,000, contributions for a period of 5 years not exceeding \$5,000,000 per year, and loans and grants for a period of 5 years totaling \$25,000,000 for minor improvements and land purchases.

#### TITLE VI—MISCELLANEOUS PROVISIONS, HOUSING CENSUS

Among the miscellaneous provisions in the bill, the Director of the Census is directed to take a census of housing in 1950 and decennially thereafter.

This title amends and supersedes existing provisions for the conversion of eligible State-aided low-rent or veterans' housing projects to low-rent housing assisted under the United States Housing Act of 1937.

The National Banking Act is liberalized with respect to the authority of national banks and State member banks of the Federal Reserve System to purchase or underwrite certain obligations of local public-housing and slum-clearance agencies.

This title also restores the right of the National Capital Housing Authority (which is the low-rent public-housing agency for the District of Columbia) to acquire sites within the District of Columbia for low-rent public-housing projects.

The District of Columbia is also authorized to participate, on the same bases as other authorized localities, in the slum-clearance and urban-redevelopment benefits authorized in title I of the act, but no loans or grants under title I may be extended for the District of Columbia, with respect to any project for which Congress, after being presented with a budget estimate to make an appropriation under provisions of the District of Columbia Redevelopment Act, makes no funds available.

